

OVERSEAS NEWS

France reaches rescheduling accord with Iraq for £2.4bn debt

By George Graham in Paris

FRANCE has reached an agreement to reschedule the official debts of Iraq, settling a three-year-old financial dispute between the two countries.

The Iraqi embassy in Paris said yesterday that an agreement had been signed in Baghdad, by a French delegation including representatives of

the foreign, finance and defence ministries, and that it would make the repayments due for 1988 and 1989 within the next three months.

Interest is understood not to have been paid since 1986. Iraq renegotiated its debts to foreign governments bilaterally, having resisted pressure to bring them together under the auspices of the Paris Club of creditor governments.

French officials confirmed the agreement, and said that Compagnie Française d'Assur-

ance pour le Commerce Extérieur (Coface), the state export credit guarantee agency, would now probably be able to resume its cover of contracts with Iraq.

French companies which could benefit from this new agreement is Dassault, the military aircraft manufacturer, which hopes to interest Iraq in its Mirage 2000 fighter.

Breakthrough in talks on El Salvador guerrilla war

By Richard Johns in Mexico City

REPRESENTATIVES of the El Salvador Government and the left-wing guerrilla organisation, the Farabundo Martí National Liberation Front (FMLN), have achieved a significant breakthrough by agreeing to a schedule of framework for negotiations to end the 10-year-old civil war.

BNL affair underlines West's fears over technology transfer

THE discovery of billions of dollars of improper loans which travelled from Atlanta, Georgia, to the Iraqi capital, Baghdad, and various international banks and companies has been a scandal to shake the Italian banking community.

Mr Drogoul has been sacked by BNL and Mr von Wedel has been suspended without pay. Both are under investigation by US and Italian judicial authorities. Meanwhile, Baghdad is demanding that BNL hand over the \$550m of unused credits that were confirmed.

Up to this point the story is a large-scale financial scandal with serious implications for the reputation of Italy's banking community. But in the past seven days other pieces of the jigsaw have begun to emerge.

The project's contractor, XYZ Options of Tuscaloosa, Alabama, dispatched Mr Richard Kendrick, one of its two principle partners, to Baghdad on Thursday night to show US Embassy officials around the new tooling plant.

The plant will allow the Iraqis to make their own high-precision tungsten carbide tools, thereby largely freeing them from imports of the equipment. Matrix Churchill and XYZ said the tools will be used for machining commercial components such as engine and transmission parts.

Churchill - bought the former Learfan factory in Belfast, where there were plans to make light aircraft out of advanced composite materials.

Among the dozens of investigators now working on the case in the US and Europe are officials from US, British and Italian intelligence services.

East Germans call off talks with Bonn's SPD

By David Goodhart in Bonn EAST GERMANY'S ruling Socialist Unity Party (SED) yesterday temporarily broke off relations with the West German Social Democrats for the first time in over 20 years, raising the tension between the two Germanys caused by the flow of young East Germans into West Germany.

The SED announced that a 14-member SPD delegation to East Germany next week, the subject of angry inter-party debate inside West Germany, was cancelled. Several other meetings - which form part of the regular contacts between the two parties - have also been called off.

own policy expert who was to have led the delegation, had also planned various meetings with church and opposition groups in East Germany and intended to make this clear to the SED.

Thousands march in Johannesburg By Patti Waldmeir in Johannesburg THOUSANDS of people took part in an anti-apartheid march in Johannesburg yesterday.

black churchman who led yesterday's Johannesburg march, said anti-apartheid groups, backed by police, welcomed Mr de Klerk's decision to allow peaceful protest.



Pakistan rejoins Commonwealth on October 1

By Robert Mautheiser, Diplomatic Correspondent PAKISTAN will rejoin the Commonwealth on October 1.

Live fast and die young in America's speedy pizza business

Roderick Oram on a fast-food delivery service which is drawing criticism for involvement in traffic accidents

DELIVERING a pizza is as dangerous as working down a mine if you drive for Domino's, the fast-food company dominating the US market and spreading rapidly abroad.

Domino's Pizza, a Michigan company which claims half the pizza home delivery market in the US, introduced its pledge about 2½ years ago.

Mr Thomas Monaghan, chairman and chief executive officer of privately-held Domino's Pizza, is considering taking the pizza chain public among other options, according to a company spokesman, Renter reports from Detroit.

Domino's had not been contacted by numerous investment bankers interested in brokering a deal, said Mr Hingst, Domino's, which had system-wide revenues of about \$2.3bn in 1988, is the world's largest deliverer of pizza, he said.

It is the pizza chain he founded and in which he owns a 97 per cent stake, in order to devote more time to outside interests.

In addition to the lawsuits and investigations by at least one state, Indiana, Domino's is about to come under direct pressure from Mr Kinney's Safe Workplace Institute.

Responding to the controversy which has been building up over the past year, the company has begun a safety campaign for its drivers, explaining the action in a letter attached to each pizza box.

New arrest in Colombian drive on drug trafficking

By Sarita Kendal in Bogota

GENERAL Miguel Maza, head of the Colombian secret police, yesterday announced the arrest of Mr Bernardo Pelaez, claiming he was the most important person to be caught in the anti-drug offensive.

IS LONDON UNDER THREAT? for commentary read Savills' Central London Office Surveys SAVILLS please contact Siobhan Pandya, Head of Commercial Property Research 01.499 8644

New arrest in Colombian drive on drug trafficking By Sarita Kendal in Bogota GENERAL Miguel Maza, head of the Colombian secret police, yesterday announced the arrest of Mr Bernardo Pelaez...

Italy and Austria in pact to end lorry blockade By John Wyles in Rome TRANSPORT Ministers of Italy and Austria yesterday reached an interim agreement in Vienna aimed at ending this week's border protest by drivers of heavy lorries which has largely blocked Italian commercial transport bound for northern Europe via Austria.

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UK NEWS

Lloyd's attacks lawsuit by Names of Outhwaite

By David Waller

LLOYD'S OF London yesterday condemned the decision by the members of the troubled Outhwaite syndicates to resort to litigation as a way of recovering underwriting losses which stand at £90m, but could ultimately be as high as £1bn.



Peter Nutting: litigation would hasten dialogue various parties.

Lloyd's said litigation would damage its own efforts to find a solution to the affair, particularly the appointment earlier this year of Mr Mark Littman, QC, as a conciliator to resolve dispute between the Outhwaite names and other Lloyd's syndicates.

After a meeting of 800-900 of the 1,614 names and their advisers on Thursday afternoon, the members plan to issue writs by the end of the year against members' agents and R. H. M. Outhwaite, the underwriting agency which ran the syndicates.

IRA suspects' lives 'at risk'

By Our Belfast Correspondent

THE ROYAL ULSTER Constabulary took steps yesterday to warn the 12 people identified as IRA suspects in a security document stolen from a Belfast police station that their lives might be at risk.

The document, taken from Dunmurry police station, near Belfast, over a week ago, contained the suspects' photographs and names. Police refused to comment yesterday on reports that more than 100 officers had been questioned about the disappearance.

Arate issue from the disputed contracts being tackled by Mr Littman.

Lloyd's reiterated its argument - detailed earlier this week in a letter to all the Outhwaite Names - that the main issue was indeed that of so-called open accounts: that losses from the 1982 underwriting year still could not be quantified because of the dispute over liabilities from that year to other syndicates via reinsurance.

EC nations in accord on single stock exchange

By Richard Waters

THE STOCK EXCHANGES of the European Community's 12 member countries yesterday agreed unanimously to push ahead with the goal of creating a single stock market for Europe's largest companies.

Their decision, taken during a two-day meeting of the Federation of Stock Exchanges in the European Community, marks an important step forward and appears to be the near future because of a series of national differences.

A battered party heals its wounds

Philip Stephens looks at the closing mood of the SLD conference

THE Social and Liberal Democrats left Brighton yesterday in relatively sanguine mood.



Mr Paddy Ashdown: emerging as a credible leader

The party created from the ashes of the Liberal/SDP Alliance managed at its conference this week to heal many of the wounds that had threatened earlier this year to consign it to political oblivion.

Mr Paddy Ashdown emerged, according to most delegates, as a credible if not yet charismatic leader, with his authority over the party in the country and his often unruly parliamentary colleagues considerably enhanced.

The party's decisive switch to a policy of multilateral nuclear disarmament laid to rest the spectre of unilateralism, raised at the Liberal conference three years ago.

At the Conservative conference a week later, Mr Kenneth Baker, the party chairman, will signal his intention to improve the Government's image among voters in the middle ground.

Quick planning decisions to be introduced

By John Hunt, Environment Correspondent

A SYSTEM of speeding planning applications, with decisions on the same day as the hearings, is to be introduced by the Government on an experimental basis.

Offer to restructure FS Assurance 'withdrawn'

By Eric Short

TEMPLETON Global Investors, the European subsidiary of the Bahamas-based fund management group Templeton, Galbraith and Hansberger, yesterday withdrew its offer to restructure the operations of FS Assurance, the Glasgow-based mutual life company.

Offer to restructure FS Assurance 'withdrawn'

By Eric Short

FS Assurance was too small to continue as a viable operation and the board decided that the best solution for policyholders was the link with Britannia.

Labour demands inquiry into BP redundancies

By Steven Butler

THE LABOUR PARTY yesterday demanded a government investigation into British Petroleum's decision to eliminate nearly 1,000 jobs in Scotland, claiming that the redundancies contravened assurances BP gave last February, when it took over Britoil, the former state-owned oil company, in a £2.4bn hostile bid.

Gould places faith in regions

By Richard Evans

A LABOUR government would create a network of regional investment banks through which could be channelled both national and European Community funds for economic regeneration, Mr Bryan Gould, shadow Trade and Industry secretary, said yesterday.

Creditors criticise Homes Assured board

By Richard Waters

THE DIRECTORS of Homes Assured, the defunct company whose board included Sir Edward du Cann, chairman of Lonrho and a former Conservative minister, came under intense pressure from creditors yesterday over what one called "obscene" level of debts they ran up.

The answer was a renewed and increased emphasis on policies to enable the regions to regenerate themselves. Increased resources for regional policy, while valuable, would not be enough to give the regions a real chance of prosperity.

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The directors face personal liability and disqualification from acting as directors if they are found to have been involved in wrongful trading (trading when they knew, or ought to have known, their company was insolvent).

Eric Orbell: facing Homes Assured creditors yesterday

They said that they did not know that commission received from insurance companies would later be clawed back. They incurred a loss of \$5.5m over 20 months.

The chief accountant of the group's largest subsidiary, Homes Assured (Midlands), which accounted for two thirds of its business, had been convicted of embezzling money and given a two year suspended prison sentence.

The directors said that they have only recently succeeded in piecing together the subsidiary's accounting records.

The Department of Trade and Industry has been investigating suspected "misconduct" at the group.

However, Mr Barry Lewis, the shareholder-appointed liquidator who stepped down yesterday, said that this had no bearing on the group's position.

The directors at the meeting - Mr Keith Woodward and Mr Michael Robinson, both executives, and Mr Eric Orbell, the non-executive chairman, said that they had taken proper professional advice as soon as it became clear that Homes Assured was in difficulty.

Labour demands inquiry into BP redundancies

THE LABOUR PARTY yesterday demanded a government investigation into British Petroleum's decision to eliminate nearly 1,000 jobs in Scotland, claiming that the redundancies contravened assurances BP gave last February, when it took over Britoil, the former state-owned oil company, in a £2.4bn hostile bid.

BP takes offices near Heathrow

BRITISH PETROLEUM, which is in the throes of a controversial reorganisation that has attracted fierce criticism, is leasing two new buildings at Stockley Park, the business park near Heathrow Airport.

Amoco to withdraw from petrol refining and sales

AMOCO, the US oil company, yesterday signalled its intention to withdraw from refining and marketing petrol in the UK, and has retained Morgan Stanley to advise it.

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UK NEWS - EMPLOYMENT

Overtime ban by ambulance crews faces crucial test

By Fiona Thompson, Labour Staff

DEPARTMENT of Health officials were closely monitoring the effects of the ambulance workers' overtime ban yesterday in preparation for today and tomorrow when the ban is expected to have its most serious effect.

The 13,000 ambulance crew began their industrial action at midnight on Wednesday over a rejected 6.5 per cent pay offer and support has been solid throughout the country, according to union officials.

Overtime working is heaviest on Fridays, Saturdays and Sundays, so the weekend is regarded as crunch time for the dispute.

The Department of Health said yesterday that all the regional health authorities have been asked to provide daily information for Mr Duncan Nichol, chief executive of the National Health Service, on the extent to which emergency and non-emergency services are being affected, and the numbers of staff abiding by the ban on overtime and rest day working.

"As far as we are aware from the information received, the ambulance service does not appear to have been disrupted by any significant extent at the moment," the Department of Health said yesterday.

But hundreds of routine trips for out-patient appointments have been cancelled around the country as staff have been called off non-emergency work to enable the rota for front line work to be filled.

The call rate was 10 per cent down at the London Ambulance Service yesterday, with 4,800 calls rather than the average 5,000, and the number of taxi journeys was downed from 200 to 400. The number of emergency vehicles was cut by 30 to 120. "There could be problems over the weekend," London Ambulance Service said.

A meeting of 100 of London's 350 ambulance officers and control assistants on Thursday night voted unanimously not to do work normally undertaken by the crews.

Taxi driver wins £17,000 award

By Jimmy Burns, Labour Staff

A WELSH taxi driver belonging to the TGWU transport union, has been awarded more than £17,000 in damages after an industrial tribunal ruled that he had been unfairly dismissed because of his trade union activities.

The taxi driver, Mr Terry Whyte, was sacked last January by Lacobound, a private company based in Llanello. Mr Whyte had challenged the company's claim that the reason for the dismissal was poor time-keeping and absenteeism. He linked his dismissal to the fact that he had spent several months recruiting a majority of the company's workforce into the TGWU and negotiating on their behalf.

The tribunal concluded that the applicant's trade union activities "enroling members, collecting subscriptions and negotiating with management" was the true reason for his dismissal.

It added that the dismissal for lateness and missing a shift was a "manoeuvre to mask the true reason." The dismissal was ruled unfair under the Employment Protection Consolidation Act 1978.

Mr Whyte was awarded a statutory minimum of £2,400 for loss of earnings in the six-month period leading up to the hearing. He was awarded a further £15,118 in compensation.

PO counter staff dispute put to Acas tribunal

By Fiona Thompson

THE POST OFFICE counter staff pay dispute is to be put before a mediation tribunal at the conciliation service Acas.

The request for mediation was made by the Union of Communication Workers, the union representing the 15,000 counter and clerical staff.

The Post Office said yesterday it had agreed to co-operate. The union's agreement with the Post Office makes provision for mediation arrangements to be set up at the request of only one side.

Acas said yesterday the three person tribunal would probably meet in the middle of October. It would consider the Post Office's pay offer, regarding proposals and the introduction of a counter allowances.

Its recommendations would not be binding on either side, but the union hoped they would form the basis for a settlement.

The Post Office has offered 8.5 per cent. The UCW says the increase on basic pay is 7 per cent, the additional 1.5 per cent coming from regrading.

Part-time contract cleaners secure pay rise equal to 16%

By Jimmy Burns

A GROUP of part-time female contract cleaners employed in the south-east of England has won pay increases equivalent to about 18 per cent after voting to take strike action as members of the TGWU transport union.

Although the number of cleaners involved is small, TGWU officials regard the pay award as a significant step in the union's campaign to organise temporary and part-time workers, particularly in the service sector.

The 50 cleaners are employed by Clean Factory and Office Services, at industrial premises in Dagenham, Essex, belonging to the French company Rhone Poulenc.

CFOS, which employs a total of 2,000 cleaners at various sites in and around Essex, originally offered all its employees at the Dagenham plant an increase of 3 per cent.

TGWU shop stewards subsequently organised a ballot in which a majority of the cleaners, including full-time employees, voted in favour of strike action unless the CFOS substantially increased its offer.

The strike threat followed protracted negotiations and a "final offer" of 4 per cent.

CFOS confirmed last night that it had further revised its pay offer and agreed with the TGWU to an increase on basic rates of 8 per cent for all the cleaners employed at the Dagenham plant.

About 50 out of the 130-strong workforce had been given additional productivity-linked supplements which brings the increase to 16 per cent and confirms their pay parity with full-time cleaners.

The company said that it considered its original 3 per cent offer as merely an opening negotiating position and said that the 8 per cent was awarded because it was "in line with inflation." The additional pay had been given to afternoon part-time workers covering for morning female staff and evening male staff who went absent.

Mr Bill Hodge, the TGWU's trade group regional secretary said yesterday that the pay award brought average earnings of the cleaners up to only £2.50 in addition to holiday and sick pay. Nevertheless he described it as a "fine example" of full-time workers linking up with part-timers to achieve an increase in pay.

Vauxhall workers reject revised offer

By Our Labour Editor

UNION leaders of Vauxhall Motors' 6,000 manual workers yesterday warned that the company's plans to increase basic pay by reducing productivity bonuses would be "totally unacceptable."

While stopping short of suggesting that the negotiations might lead to a ballot on industrial action, union leaders said the company's revised offer presented on Thursday had been completely rejected. The company had said the talks were constructive.

The company proposed increasing its first year offer of 7.5 per cent on an extra £18 a week to about 9 per cent or £16 a week. The additional increase of £3 a week in basic pay would be financed by a reduction in productivity linked bonus payments.

Mr Steve Broadhead, the Transport and General Workers' Union official who represents workers at the company's Ellesmere Port plant on the Wirral said: "They want to increase the offer by giving people their own money as productivity rises the value of this offer will go down."

The unions also pressed the company to clarify its plans for working practices, which union officials said included the introduction of team working, greater flexibility and a clause that "everyone should continue to examine their jobs to see how they could be done more efficiently."

The unions said they were also dissatisfied with the response to their demand that the second stage of a two-year deal should include a form of inflation proofing.

Skills agency sale launched

By Charles Leadbeater, Labour Editor

THE Government yesterday formally launched the sale of the Skills Training Agency, which employs 3,000 staff in a national network of 60 training centres concentrating on manufacturing crafts.

The decision to privatise the agency, which has broken even in only one of the past five years, was announced in March.

Advertisements in the financial press yesterday invited potential bidders for all or part of the agency to apply for an information memorandum on the sale. The memorandum will only be sent to serious potential bidders who sign a confidentiality undertaking.

Deloitte Corporate Finance, which is advising Mr Norman Fowler, the Employment Secretary, on the sale, has received 80 expressions of interest since March. Among them is a bid from the agency's senior management which wants to mount a management buy-out.

Mr Fowler said in March that the Department of

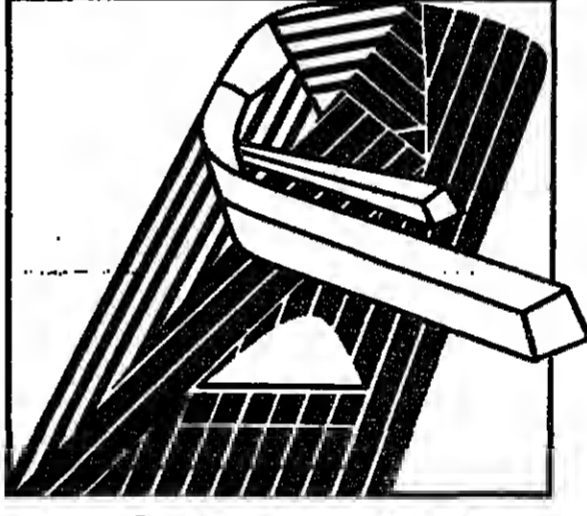
Employment would be helping the managers formulate their bid.

The move is part of the Government's sweeping plans to give the private sector a much larger role in the British training system. It will combine with plans already set in train to give employer-led Training and Enterprise Councils responsibility for designing and delivering Government training programmes for young people and the adult unemployed.

The Agency is expected to make a loss of about £20m this financial year. Last year the centres, which were set up after the First World War, for retraining servicemen, trained about 110,000 people at a cost of £76m.

The STA was heavily criticised by a 1987 National Audit Office report which found the agency's courses cost more than Colleges of Further Education but were less successful in placing trainees in jobs.

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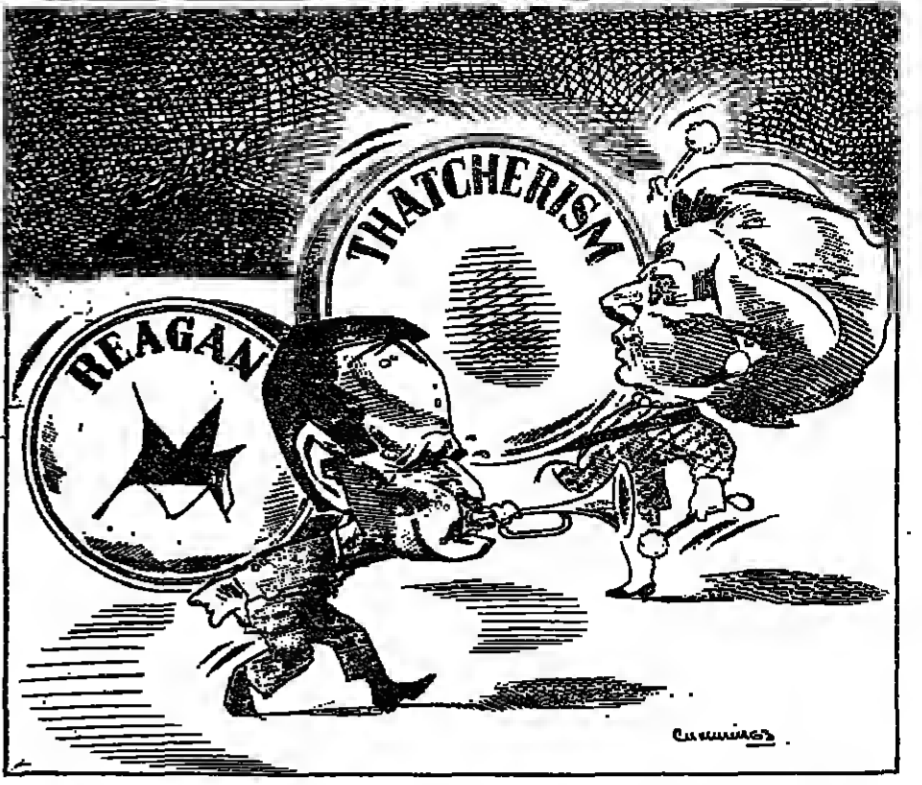
Peter Riddell examines the lessons for British politics in the change from Reagan to Bush
When policy overstates its welcome

The fuss that surrounded this summer's Cabinet reshuffle has at least confirmed that Mrs Thatcher is not politically immortal. Even if she remains in office for as long as she has, her high point may have passed.

Political views. The resulting conflicts have often produced serious Cabinet divisions and resignations, leading in time to electoral defeat. After Liverpool left Downing Street in 1987, and Salisbury retired in 1992, the Tories split in the first case over Catholic Emancipation and electoral reform, in the second over tariffs. Faced with such problems, successors to long-lived leaders have often had little time at the top. The weak-edged Balfour resigned before losing the 1906 election, and both Chamberlain and Eden left office in humiliating circumstances. As one of Mrs Thatcher's possible successors has recently remarked of his rivals and himself, "one of us is going to have to lead the party into Opposition in the 1990s."

Similar patterns can be found in other countries. However dominant a leader may have been over a long period, the distinctive style of a Roosevelt, a de Gaulle or an Adenauer quickly disappears. But the approach to policy which they have fostered has a lasting impact. The clearest contemporary example is in the US. The 2nd amendment to the constitution prevented President Reagan - much to his annoyance - from repeating Mrs Thatcher's achievement of being elected for three terms. So while, in his campaign last year, Mr Bush offered a continuation of the Reagan years, as President he has already imposed a change of style. Rather than delegate decision-making, he has taken a more active - even at times frenetic - approach, calling constant meetings and talking to everyone involved in an issue.

from the available Commons talent. In the July reshuffle the main promotions were of traditional "One Nation" consensus Tories like Mr Kenneth Baker and Mr Chris Patten rather than radical free-market supporters. Any successor Prime Minister would probably govern in a less dominant way, at least initially, giving substance to the theory of collective decision-making. There might also be less hostility to established institutions. But any successor would have to function within the framework Mrs Thatcher has created. She has helped change the British political agenda - shifting attitudes towards taxation, enterprise, privatisation, and the role of the state and trade unions. It is improbable that any successor would seek to recreate the pre-1979 public sector, raise top rates of tax to 1970s levels or revive that decade's employment laws. Labour's policy review statement this summer shows that what has again become the alternative government recognises the change in the landscape. The achievements and failures of Thatcherism will provide the starting point for any successor. A Conservative administration led by a Prime Minister with a One Nation background or a Labour one led by Mr Neil Kinnock would have a greater commitment to free markets than Tory or Labour governments of the 1970s. Any successor would no doubt have different policy priorities - such as full participation



in the European Monetary System, or reducing social divisions. But these would be set within the context of the Thatcher years. Political life in Britain after Mrs Thatcher will be different on the surface from now - no more bashing of familiar institutions, for example - but the ripple-effects from her shake-up of the British economy and society will continue to spread for many years. Thatcherism will outlast Mrs Thatcher herself. Peter Riddell, formerly the FT's Political Editor, is now the paper's US Editor. This article is a modified extract from his book, 'The Thatcher Legacy', published next week by Basil Blackwell, £16.95.

When Sir James Goldsmith heard yesterday that his Hoylake consortium had gained an unprecedented extension to the bid timetable for its £13.5bn bid for BAT Industries, he celebrated by issuing a quick, enthusiastic press release. Then he happened on a plane and headed for the United States.

Back in the UK, the implications of the Takeover Panel's decision to grant Hoylake extra time were sinking in. Lord Alexander, the Panel's chairman, described the decision as "an extremely difficult case." Few days after the bid, the Panel's decision involves the conflict of two central principles underlying Britain's takeover rules - the wish to give all shareholders the fullest opportunity to reach an informed decision on their company's future and the desire to prevent companies from becoming targets of lengthy bid sieges. The background to the decision is well-known. Hoylake is bidding for BAT. BAT owns Farmers Group, a large US insurance business which it acquired after a lengthy struggle last year. The change of ownership of any US insurance business requires approval from the local US state insurance commissioners. Hoylake felt it had reached a position where it could not gain these

Nikki Tait reports on the implications of the Takeover Panel's ruling in the bid for BAT
Stretching the takeover timetable

approvals within the remaining conventional bid timetable. (Had an extension not been granted, a maximum 42 days would have remained before the offer needed to be declared wholly unconditional.) The implications flowing from the decision split into two categories. On the one hand are those that relate to the Hoylake bid and the future of BAT. On the other, those that affect the pattern of future bids and the standing of the Panel itself, as the bid scene becomes ever more international. With reference to the Hoylake bid, the most immediate question is whether the Panel's decision will ultimately stand. Somewhat unusually, the Panel offered BAT the opportunity to appeal against its decision, and it took the tobacco-based conglomerate and its advisers only hours to take up the challenge. Under the appeal procedure, the arguments will be heard by a committee headed by Lord Roskill, aided by two other Panel members not involved in the original decision. Although the appeal route is

open almost automatically in disciplinary matters, it is offered more rarely on other Panel decisions. In this case, says Mr Anthony Beevor, director general of the Panel, the thinking was that - given the scale and importance of the situation - "no stone should be left unturned." The extent to which new evidence can be put forward is a matter for one technical argument. The Hoylake camp points out that similar sieges are undergone at other times - for example when there is a Monopolies and Mergers Commission inquiry. It argues that the speed at which the US regulatory procedure is completed may well depend on BAT's own action. As for the suggestion that it should

BAT's management to devise some means of preventing its shares falling back to the levels before the bid. There has been unconfirmed talk about asset disposals and other manoeuvres. Technically, while Hoylake is plunging through the US regulatory procedure, BAT is bound by rule 21 of the code, which requires that any material change proposed to its business is given shareholder approval. In any case, all the noises from BAT yesterday suggested that any initiative of its own can only have been delayed by the Panel ruling - if only because the company wishes to keep its powder dry. It says that it is still reviewing its overall position. Over in the Hoylake camp, Sir

James's swift flight to the states was being offered as illustration that the bidder will now push ahead as quickly as possible in the US. Mr Claude Bébear, head of Axa-Midi, the French insurance company which has agreed to buy Farmers from Hoylake once the bid is successful, has already indicated that he would like Hoylake's court actions against the insurance commissioners dropped. (The actions argue that the commissioners do not have the right to review the bid.) Hoylake confirms that this is being considered. No one, however, was keen to suggest how long the regulatory process might now take. The other dimension to the Panel's ruling is equally important. It acknowledges that although this situation is novel, occasions where the code and foreign regulatory processes interact are likely to recur. It also makes clear that, although it is anxious to avoid mischievous attempts to gain extensions, in cases of "genuine" clashes, leeway may be available at home. Some guidance on what sort of

cases might be expected to gain this leeway will become available when a promised additional note to the code is drawn up and published. But the Panel was keen to make a political point yesterday: Mr Beevor, its director general, said he hoped this sort of flexibility would be noted in Europe, where there is some feeling that, in the case of takeover harmonisation, statutory regulation should be introduced. The Panel's case has been that this would hinder the speed and flexibility of its decision-making. The question of whether such leeway could be introduced where there is a legal obstacle to compelling a bid within a UK timetable - the position in the recent battle between Minorco and Consolidated Gold Fields - is interesting. The Panel's response yesterday was that cases where the legal action comes from a third party are very rare, and if it was prompted by the target itself, the whole question of "harvesting" (dealt with in the CTR) probably takes over. Nevertheless, it is small wonder that Minorco - which won 56 per cent of Gold Fields only to see its bid foiled by legal action in the US from Newmont Mining, deemed to be a third party by the Panel - seemed privately to find yesterday's decision a trifle galling.

The BAT/Hoylake case involves the conflict of two central principles underlying Britain's takeover rules

Lord Roskill's discretion. BAT has already made clear that it believes the Panel decision is wrong in principle. At least part of its argument is that such a ruling undermines the basic assumption that companies should not be subject to lengthy "sieges" - the reason for having a timetable in the first place. To this can probably be added various other arguments. The Hoylake camp points out that similar sieges are undergone at other times - for example when there is a Monopolies and Mergers Commission inquiry. It argues that the speed at which the US regulatory procedure is completed may well depend on BAT's own action. As for the suggestion that it should

LETTERS

Ups and downs of PEPs

From Mr John Moorhouse. Sir, The disillusionment of Sir John Sykes and Mr R. Moyes with their respective PEPs (personal equity plans, Letters, September 9) is ill-founded. Sir John's main complaint appears to be that his manager will not guarantee him a profit - or at worst will not indemnify him against a loss. As for the figures he quotes for PEP charges, it is not clear whether these include dealing costs or not - but bearing in mind that he has paid a £40 initial charge and, presumably, two years' management charges, the costs do not look unreasonable. Mr Moyes took out a PEP last October "for a year," presumably knowing that the regulations (as they were then) would require him to hold his investment for over a year. In any event, he would have taken a longer term view, and committed himself to subscribe annually to a PEP which allowed him to choose his own investments. He could then have invested in M&G Eastern & General and British Steel through a 1989 "old style" PEP, and enjoyed tax exempt status on these "bargains." I hope that before he disposes of his 1988 PEP (incidentally one does not dispose of a PEP, one disposes of investment held within a PEP, and then withdraws from or closes it) he ensures that it has been converted to a "new style" plan, otherwise he will suffer a clawback of basic rate income tax and possible higher rate tax on the dividends received, and may be liable to capital gains tax on the gains realised. PEPs are not for the short term investor - particularly the smaller investor. No one can seriously expect to make substantial profits out of two £400 investments in equities over one year, either through a PEP or otherwise. PEPs are not an investment, they are an investment vehicle. Readers should look for the vehicle which best suits them. John Moorhouse, The Personal Equity Plan, 30 St James's Street, SW1

'A readable tale'

From Mr Charles Wintour. Sir, Your curmudgeonly reviewer, Mr J.D.F. Jones, is perfectly entitled to be disappointed that my book, The Rise and Fall of Fleet Street, is different from the one he thought I should have written, but he should not mislead your readers so badly. He says I have written "a readable, unashamedly second-rate source tale..." I certainly relied mainly on secondary sources for the earlier publishers (although the Vereloff Papers in the British Library are hardly secondary either in size or importance), but for the later figures I not only interviewed the principal characters, but also many of their associates. Surely Lords Matthews and Rothemann, and Messrs Mur-

Employment of new graduates

From Mr W.W. Sweet. Sir, I support Michael Dixon's comment ("How graduates fared," September 13) that the Universities Statistical Record (USR) is prevented from publishing the detailed information needed to make allowances for differences in subject-mix between universities when comparing the employment records of their graduates. I suggest that the committee of vice-chancellors (which controls USR) should authorise release of the information: if this were done, Lancaster University would appear well above average in Mr Dixon's league table of universities. Our low position in the published table is primarily because we have no medical students and comparatively few engineering students - but this should not be allowed to hide the achievements of our graduates in other subjects, whose employment record is better than in most other universities. Publication of the figures would allow this to be demonstrated. On the other hand, I cannot agree with Mr Dixon's statistic, that the information is not available for employment. Contrary to his statement, we do know what they were doing at the time we collected our information: about three quarters of them were travelling overseas. Several points should be made in this context. Many (perhaps most) were in casual employment overseas, but USR would not allow us to record this because we could not name the employer or type of work: it was information not always known by their parents. Even if it were true that overseas travel was irresponsible, it would hardly be sensible to blame the universities for their graduates' unemployment. Yet this criticism is implicit in Mr Dixon's practice of treating those "not available" as if they were unemployed. In fact, a year's globe-trotting can be an excellent foundation for a career in the British economy, the future prosperity of which will depend on improving trade with the very countries that our graduates are now visiting. W.W. Sweet, Lancaster University Careers Service, University House, Lancaster

1992 and all that

From Mr Adrian de Maupou. Sir, On Friday September 8, I received a small parcel from France, properly addressed and postmarked, franked at FFs22 (£2) and stamped August 23. A sticker said it had been opened at Dover on September 4 "for examination by Customs." All in all it took 17 days to

Square deals in cars

From Mr J.D. Sutherland. Sir, Stuart Marshall's reply (Weekend FT, September 9) to Mr H.R. Johnson (Letters, August 28) does not explain why UK car makers and dealers get away with such huge mark-ups, and why the British motorist has been taken for such a long ride. He must know that the National Consumer Council compared "like with like," concluding that we pay too much for our cars because there is no competition. In a genuinely competitive market such as the US, the

Packages came earlier

From Mr D.G. Bee. Sir, In David Churchill's report ("Wraps off for the holiday package," September 9) it was stated that the first package tour took place in September 1949. My wife and I took a 14-day package tour to Interlaken, Zermatt and Geneva in May 1949. It was arranged by Poly-

technic and cost £85 per person

Under the exchange control regulations we were allowed spending money in Swiss francs to the value of £15 each - which meant that we could have cognac with our coffee only on alternate days. D.G. Bee, St Goswami Road, Preston, Lancashire

ADVERTISEMENT

Table with columns: Product, Applied rate net, Net CAR, Interest paid, Minimum balance, Access and other details. Lists various investment products from Alliance and Leicester, Barclay, Baring, etc.

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UK COMPANY NEWS

Dawn raid on Armstrong fails

By John Ridding

SHARES IN Armstrong Equipment, the industrial fastener and engineering company, were yesterday subjected to a dawn raid just one day after the company became the target of a hostile bid from Caparo Group, Mr Swraj Paul's private holding company.

sources indicating that only 200,000 Armstrong shares were purchased. Armstrong's shares rose 11p to 192p. Citicorp's client is believed to be JH Fenner, the power transmission engineer, which disclosed yesterday that following recent purchases it now holds about 3.75 per cent of Armstrong's shares. Fenner declined to comment.

Yesterdays raid seems surprising because Caparo Group had just last month put up for sale its own 29.3 per cent stake in Armstrong at 185p per share. But potential bidders may have been waiting to see Armstrong's figures which were released earlier this week.

Both Armstrong and Caparo expressed surprise at the move. Mr Paul said that "if the party behind the raid wants to bid then they are welcome" but he refused to be drawn on whether Caparo would sell its stake to a rival bidder at a price in excess of its own offer. Yesterday's raid, and the rise in the share price suggests that Mr Paul may have to raise his offer. One analyst felt that institutional investors may be looking for a price of about 22 per share.

Birse comes to market valued at £76.5m

By Claire Pearson

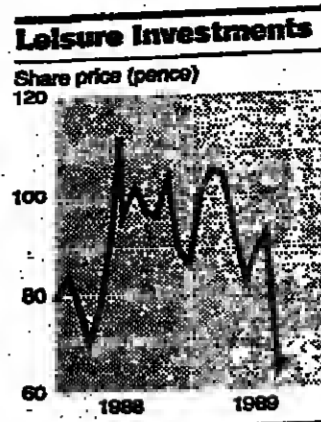
IRISE GROUP, the construction and plant hire concern, is coming to the main market via a £19m offer for sale which values the company at £76.5m.

After expenses, the offer of 15.9m shares, at 120p, will raise about £17.7m in new money for the company. At the same time, Mr Peter Birse, chairman, and Mr David Goose, deputy chairman, are selling 15 per cent of the enlarged equity to Billinger & Berger, the third largest construction group in West Germany, with which it signed a co-operation agreement last month.

Leisure Investments blames Landleisure for downturn

By Andrew Bolger

LEISURE Investments, the troubled casino and leisure group, yesterday confirmed that its £170m acquisition of Landleisure last November is costing it dear.



The company has already sold the freehold of Asinall's, one of its three London casinos, for £40m to an unnamed foreign purchaser. The casino has the right to operate from the Curzon Street premises for up to two years for a peppercorn rent.

Abdullah brothers may take 75% SI stake

By John Ridding

MR RASCHID Abdullah, and his brother Osman, formerly the respective chairman and chief executive of Evered, the industrial and building products group, are planning a return to the UK corporate scene by taking a majority stake in the troubled SI Group, manufacturer of equipment for the brewing industry.

holders to vote on the acquisition of Kembrey has been adjourned until September 22. By that time shareholders will have received details of the new offer, and should the Kembrey acquisition not be approved, then shareholders will vote on the proposal from the Abdullah brothers in the middle of October.

Upon completion of the subscription, Mr Raschid and Mr Osman Abdullah would join the board of SI Group as full-time executive deputy chairman and chief executive respectively. They would concentrate on the identification of acquisition opportunities.

At the offer price, the historic p/e is 8.6, and the notional net dividend for the year to April 30 is 4.28p, giving a notional gross yield of 4.72 per cent. Birse is hoping the link-up with Billinger will help it to participate in the UK Government's expanded road programme.

Restructuring costs help drive Orchid sharply into losses

By Nigel Clark

Orchid Technology, the USM-quoted Californian maker of microcomputer accessories, incurred a pre-tax loss of \$3.88m (£2.48m) in the year to the end of June, against profits last time of \$1.26m.

Maxwell offshoots in £46m move

By Andrew Bolger

PERGAMON AG, which is 57 per cent owned by one of Mr Robert Maxwell's private vehicles, has conditionally agreed to sell its magazine, exhibition and company information service businesses for £46.4m to a subsidiary of Maxwell Communications Corporation, his quoted company.

off the engineering division to concentrate on professional services and then swallowed market researcher AGC. Pergamon AG's disposal programme is now likely to realise more than £100m by the end of the year. Last month it sold its Oyez stationary business for £21.2m to a team led by management.

sale is conditional on the approval of Pergamon AG shareholders other than Maxwell Foundation and its subsidiaries and certain directors of Pergamon AG who are also directors of Maxwell Communications and its subsidiaries.



Norton Opax's shareholders yesterday voted down the company's proposed £679m offer for De La Rue, the bank-note printer, at a two-and-a-half minute extraordinary general meeting, given John Thornhill.

ter Industries, the packaging and industrial products group, which might lead to a recommendation of Bowater's £382m offer for Norton. Bowater, which speaks for 29.99 per cent of Norton's votes, had been the most vociferous opponent of the De La Rue offer.

As a further meeting between the two chairmen, Mr David Rocklin, of Norton, above, and Mr Norman Ireland, of Bowater, was held yesterday afternoon. Bowater's advisers were hopeful that a conclusion might be reached next week.

leisure acquisition, is still about 100 per cent. Mr Forsyth said: "The board is entirely dissatisfied with such poor results and has taken major steps to improve profitability."

Snooker clubs and pubs had performed in line with expectations. A major reorganisation was underway with the closure and disposal of smaller outlets allowing management to concentrate on large concept restaurants such as Down Mexico Way and Peppermint Park.

LIT profit doubled to £6m

By John Ridding

LIT Holdings, the transatlantic financial services group, yesterday announced pre-tax profits of £6.1m for the six months to June 30, compared with the £2.2m recorded in the previous interim period to the end of September 1998.

losses of \$900,000 at the end of the period compared with retained profits of \$500,000. Nevertheless, the dividend is maintained at 3.75p.

The principal source of profit remained, however, the group's US operations which raise profits from £3.6m to £5.2m. Futures volumes in Chicago were said to have held up well during the period and there was a positive contribution from the group's expansion in New York.

Although more and bigger issues are on the way, offers for sale this year have been very scarce and very small. In size terms, this one adds little to the market, and indications from Mr Birse, by far the biggest shareholder, are that the equity is not going to be up in a hurry.

The corporate finance division contributed profits of about £2.3m to profits. The investment management and financial services division, which includes Johnson Fry, contributed £1m.

The change reduced earnings per share by 0.9p to 6.4p (4.7p).

No formal reply by Blacks to Goldberg bid initiative

By Nikki Tait

A. GOLDBERG, the Glasgow-based retail group that is facing a £32m paper bid from Blacks Leisure, yesterday revealed that its advisers have written to Blacks saying that they would "use their best endeavours to persuade Goldberg to recommend the current offer if a full cash alternative were provided. No formal reply has been received.

cash alternative as "highly unlikely". No further information was forthcoming from Goldberg yesterday; it had already said that a profit forecast would not be possible.

Amber Day Holdings bid out again yesterday at Moss Bros, claiming in a stock exchange announcement that the fellow menswear group had failed to respond meaningfully to a second formal approach to merge the two companies.

Adapting existing principles to a novel and 'extremely difficult case'

Takeover Panel makes allowances for foreign regulatory processes - edited excerpts from its 24-page decision on Hoylake's BAT bid

HOYLAKES OFFER for BAT Industries on July 11 contained a standard condition relating to the obtaining of all necessary regulatory approvals. BAT indirectly owns Farmers Group, a US insurance company. The necessary approvals included approval by the insurance commissioners in nine states.

ered might influence the outcome of the offer in the US, did not constitute frustrating action. Neither did the participation by Farmers in the regulatory process in the nine states, nor its intervention in legal proceedings brought by Hoylake to restrain the insurance commissioners from conducting regulatory proceedings.

W e are applying the existing principles of the Code to a situation which is novel. But situations of this kind, where the interaction of the Code and foreign regulatory processes needs to be considered, are likely to recur. Whilst, inevitably, decisions must be made on a basis which takes account of the facts of individual cases, and which may be refined and developed in the light of further experience, the Panel will seek to prepare an additional note to Rule 33.1 which gives an indication of the general approach we think should be adopted in such cases. This is an extremely difficult

case. We consider that, exceptionally during the course of a takeover, it is right to grant BAT leave to appeal to the Appeal Committee against our ruling. BAT must decide by opening of business on Tuesday September 19 whether to exercise this right of appeal. If so, the Code timetable will be frozen in order to accommodate the appeal.

The Panel reviewed UK experience of lobbying in bids and notes that BAT's activities in the US were different. We do not consider that lobbying generally of politicians and others is capable of contravening General Principle 7. It is not a very direct way of obstructing an offer, and since it is possible for the bidder to engage in counter-lobbying, the effect of the process is simply to enable one of the public interest decision-takers to have presented to them both sides of the argument.

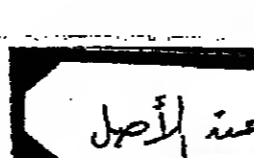
tory process and the action taken by the target company. The decision of the Panel in regard to Minorco's offer for Consolidated Gold Fields clearly established that the taking of legal proceedings, whether in the jurisdiction of the UK Courts or elsewhere, might fall within General Principle 7. In that case, Gold Fields was acting as plaintiff. In the present case, however, Farmers is not plaintiff. In the litigation, BAT has confined itself to supporting the commissioners in their unsuccessful motions for summary dismissal and their successful resistance of the applications for a preliminary injunction. Both these actions are designed to uphold the jurisdiction of the regulators, so that they can fulfil their statutory function of deciding whether an acquisition should be permitted. Whilst this may deprive Hoylake of the benefits which a preliminary injunction might give, we consider it is essentially linked to the participation in the regulatory process. We consider that it is not frustrating action for the target company, having regard to its fiduciary duty to policyholders, to uphold the jurisdiction of the regulators to seek to protect those policyholders.

ing with the issue now rather than later. The Panel set out BAT's and Hoylake's arguments on the substantive issue. Among BAT's arguments against granting the waiver were: if Hoylake's request succeeded, it could be very difficult to refuse similar requests in any number of other cases. It was suggested hypothetically that if a particular offer still required the consent of, say, a minor regulatory body in a small state where a small part of the offeree's assets happened to be located, it could come to the Panel, even after a long siege, and obtain a second opportunity. It was suggested that it would be inappropriate for the Panel to make an innovation in the course of a takeover.

seats and within the Code timetable. Whatever controversy there may be over Hoylake's offer, and whatever public interest considerations it may raise, our principal function is to ensure that shareholders are dealt with fairly. We do not regard it as desirable that the management of BAT should be subject to uncertainty during the 12-month period after the offer lapses. But even if the 12-month moratorium applied, many of the same features would be present if Hoylake continued to seek to discharge the requirement of the US regulatory commissioners. Hoylake would be entitled to do this without an actual offer being in existence.

These arguments are to varying degrees cogent and forceful, and the Panel has given full weight to them. We do, however, consider that it is necessary to address this issue in the context of the present offer. One of the functions of the Code, and advantages of its flexibility, is that it can adapt to new situations; foreign regulatory intervention is clearly one such situation.

We regard it as undesirable that, should Hoylake complete the US regulatory processes, it should be inhibited from putting an offer to shareholders during the remainder of the 12-month period. There is much to be said for requiring Hoylake to use its best efforts to conclude the regulatory processes as speedily as possible, and then to decide whether or not to bid again for BAT; so that the uncertainty may at least be resolved as speedily as possible. We think the bid might well hang over the head of BAT in any event. We consider, however, that Hoylake should proceed as fast as it is reasonably able, so that shareholders may know whether they are going to receive an offer for their company and its future should be resolved.



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MARKET STATISTICS

ECONOMIC DIARY

TOMORROW: Launch of Sun's Correspondent... MONDAY: Public sector borrowing requirement (August)... TUESDAY: Ruling primus of...

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, and Stock. Includes sub-sections for Sep 89, Oct 89, Nov 89, Dec 89, and Jan 90.

BANK RETURN

Table showing banking department performance with columns for liabilities, assets, and various bank categories.

BASE LENDING RATES

Table listing various banks and their base lending rates for different terms.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

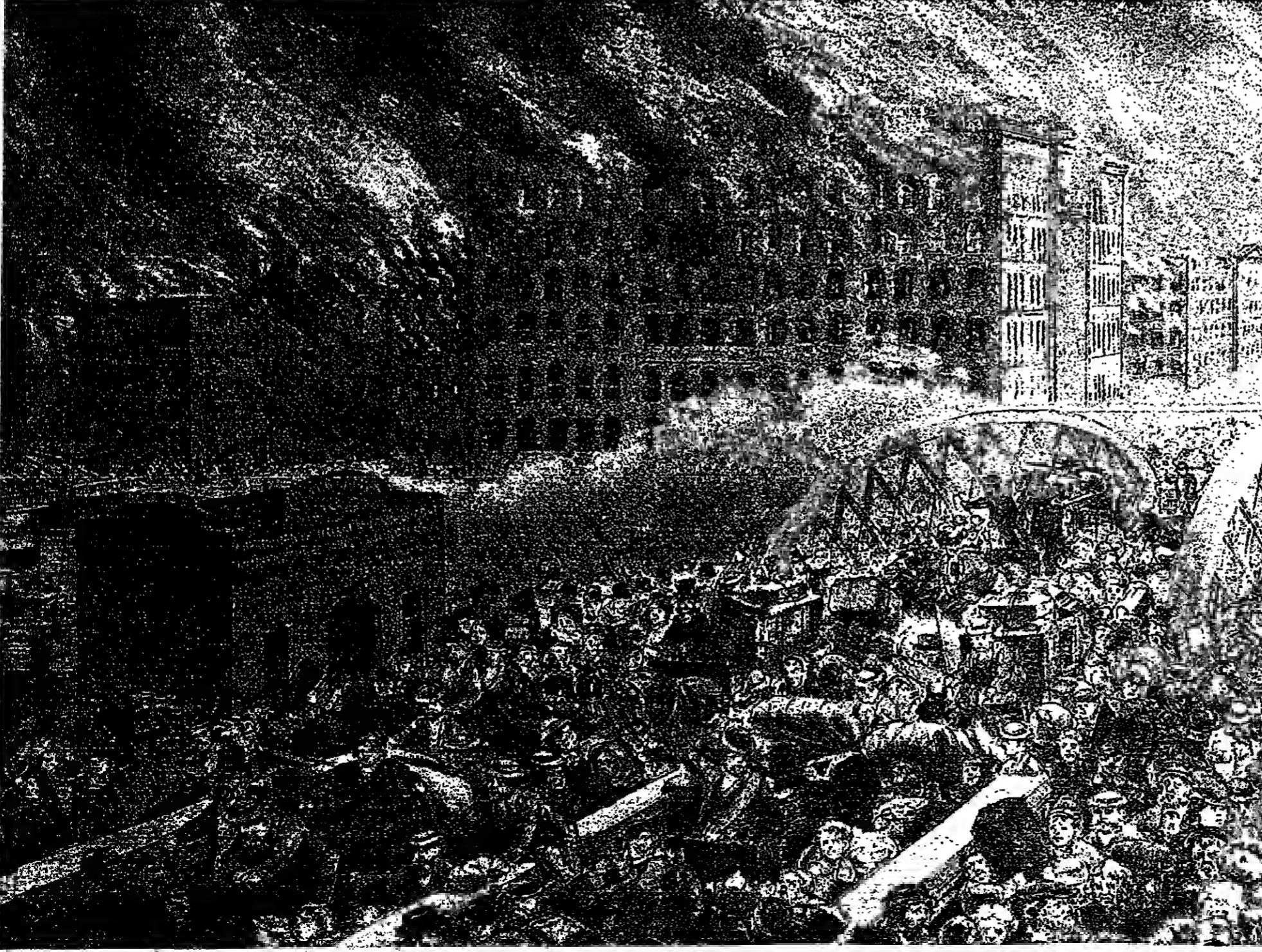
Large table of equity groups and sub-sections with columns for index number, day's change, and high/low values.

FIXED INTEREST

Table showing fixed interest rates and average gross redemption yields for various terms.

Opening Index 2388.1... 11 am 2375.4; 11 am 2365.7; Noon 2368.3; 1 pm 2354.8; 2 pm 2369.7; 3 pm 2365.9; 4 pm 2366.6; 4 pm 2372.2 (a) 9.00 am (b) 1.22 pm

October 8, 1871: the brightest day in the history of Chicago's architecture.



In America, there exists one of the greatest architectural museums in the world. It's called Chicago. A city entirely destroyed by the Great Fire of 1871. Yet the indomitable spirit of its citizens did not go up in flames...

Chicago. The American Renaissance.

INTERNATIONAL COMPANIES AND FINANCE

Air France, Lufthansa sign partnership pact

By Paul Betts, Aerospace Correspondent, in Paris

AIR FRANCE and Lufthansa, the French and West German national carriers, signed yesterday a far-reaching co-operation agreement as a first step towards a Franco-German alliance in the swiftly changing international airline industry.

thansa are under pressure to strengthen their competitive position, partly as a result of a decade of deregulation in the US and partly in anticipation of the liberalisation which will accompany the European single market.

Mr Ruhnau said yesterday there were no plans at this stage for cross shareholding links between Lufthansa and Air France.

thansa chairman, and Mr Bernard Attali, Air France chairman, said they were keen to associate Iberia, the Spanish national airline, in the partnership.

From Germany via France to the French West Indies. Setting up a joint catering company linking the two airlines' catering subsidiaries.

BNP seeks remaining shares of Swiss unit

By William Dullforce in Geneva

BANQUE Nationale de Paris (BNP) yesterday made an offer worth almost Sfr25m (\$2.5m) for the shares it does not already own in its Basel-based Swiss subsidiary.

Adsteam advances 25% to new peak

By Chris Sherwell in Sydney

A REVISED accounting approach by Adelaide Steamship, the Australian conglomerate controlled by Mr John Spalvins, has limited the group's after-tax profit to a lower than expected A\$20.6m (US\$15.6m) for the year to June.

Adsteam shares finished at A\$8.76, down 10 cents. In a this accounting change Adsteam reported no equity accounted profits. Yesterday's results included only the actual dividends received from its subsidiaries, and last year's figures, which showed equity shares, were adjusted accordingly.

Santander in domestic offensive

By Tom Burns in Madrid

AFTER cementing a series of intricate international alliances, Banco de Santander has moved on to the offensive locally, firing an aggressive broadside at rival Spanish banks with the introduction of interest-bearing current accounts.

Santander is offering 11 per cent interest on a current account balance in excess of Ptas10,000 (\$4,065), the first big Spanish bank to offer this service.

Interest-bearing current accounts were pioneered in Spain by Barclay's Bank, against staunch domestic opposition. The lead by the British bank, which has about 150 branches in Spain, was followed earlier this year by a number of smaller Spanish banks such as Banco de Comercio, a subsidiary of Banco de Bilbao Vizcaya.

By taking up the challenge for the big banks, Santander, which has a nationwide network of more than 1,500 branches, has effectively issued the first shot in a high street banking war which will inevitably test operating margins. The aggressiveness of the Santander move was underlined by a flamboyant publicity campaign in Barcelona, that, as well as paying monthly interest, it would arrange within 24 hours the transfer of all standing orders in other banks.

Santander, the most internationally active of the Spanish banks, has a 10 per cent stake in the Royal Bank of Scotland. Nomura Securities of Japan has a 1.5 per cent stake in it and a 10 per cent holding in Banco Santander de Negocios, an investment banking unit.

BA closer to winning United Air battle

By James Buchan in New York

BRITISH Airways of the UK was yesterday all but certain to gain an important stake in United Air Lines after the Chicago company's directors accepted a \$6.8bn offer from BA, allied with the airline's pilots and management.

The approval, which was announced late on Thursday by the non-executive directors of UAL, the airline's parent company, opens the way for the bidding group to launch some time next week a \$300 a share tender offer for the company's stock.

In its decision, the UAL board told management to be available to entertain any new offers for the company. But Wall Street investment bankers and stockbrokers yesterday doubted that a competing offer could be mustered against such an apparently solid front as the airline's management.

under Mr Stephen Wolf, chairman, its 6,000 pilots and a rich foreign backlog.

Mr Marvin Davis, the Los Angeles investor who launched the battle for United Air Lines six weeks ago, said he preferred not to bid against the coalition that has been arrayed against us.

Thursday night's deal still needs the approval of the Department of Transportation in Washington, which may have reservations about the \$7bn in debt the airline will carry and the involvement of a foreign airline.



Mr Wolf will not bid against coalition

Mr Wolf will invest about \$15m and receive options that will eventually give him 10 per cent. By a complex and circuitous arrangement, the pilots' union pension plan will borrow \$200m for a 75 per cent stake.

But the lion's share of the financing will be about \$7.2bn in bank loans that Citibank and Chase Manhattan, the New York banking groups, will extend themselves or syndicate with other banks.

In a highly unusual move, the bidding group is apparently not seeking to sell junk bonds to finance the deal, which means that the banks and BA are shouldering all but a fraction of the financial risk.

The junk bond market has been tumbling all week, a result of deep anxieties about the future of several issuers, most notably Campeau, the Canadian real estate and retailing group.

International group buys 25% stake in Matuschka

By Haig Simonian in Frankfurt

A GROUP of six leading international institutions has bought a 25 per cent stake in Matuschka Group, the privately-owned West German financial services partnership which specialises in corporate finance and fund management.

Apart from Nomura Securities, whose planned 5 per cent interest in Munich-based Matuschka was disclosed in January, the international group includes General Electric Capital of the US, Suez International, the UK merchant bank Charterhouse, the Akros, Italian investment house, and Willowbridge Investments, a UK investment house linked with Allen & Co in the US.

Michelin unveils 29.5% increase to FF1.62bn

By William Dawkins in Paris

MICHELIN, the French tyre maker, yesterday unveiled a 29.5 per cent rise in group sales and a 29.5 per cent rise in net profits for the first six months of 1989.

Turnover increased from FF1.325bn in the first half of 1988 to FF1.62bn (\$425m) in the six months to last June, while profits climbed from FF1.25bn to FF1.62bn over the same period.

Smorgon sheds box operations

By William Dawkins in Paris

AUSTRALIAN cardboard box manufacturer is to be concentrated in the hands of just two producers following a deal yesterday whereby Amcor and the Pratt Group, its main competitor in the sector, are to divide between them the box operations of Smorgon Consolidated Industries, their only other significant rival.

The privately owned Smorgon is selling three plants to Amcor's APM Packaging, leaving its production to about 315,000 tonnes of corrugated cardboard a year.

Smorgon sheds box operations

By William Dawkins in Paris

Adjusting for the gain from share sales, Michelin's underlying net profits growth subsides to 9.4 per cent. Tonnage output grew by 3 per cent during the six months.

Net profits grew by 52 per cent to FF300m, showing more sharply the gain from the sale of Citroën shares. Operating profits before tax and minority interests rose less steeply, from SF409m to SF459m.

WEEKLY PRICE CHANGES table with columns for commodity, latest price, change on week, year, high 1989, low 1989.

SPOT MARKETS table with columns for commodity, price, change.

COGOLA - London POX table with columns for commodity, price, change.

COFFEE - London POX table with columns for commodity, price, change.

LONDON METAL EXCHANGE table with columns for commodity, price, change.

POTATOES - SFE table with columns for commodity, price, change.

SOYABEAN BEAN - SFE table with columns for commodity, price, change.

FRUIT FUTURES - SFE table with columns for commodity, price, change.

GRAINS - SFE table with columns for commodity, price, change.

WHEAT - SFE table with columns for commodity, price, change.

US MARKETS

IN THE METALS, gold, silver and platinum prices were all down in early action due to a lower than expected US trade deficit, reports Drexel Burnham Lambert. Prices rallied late in the session as news of a US bank failure weighed heavily on the dollar. Profit taking lowered palladium futures after the market posted strong gains earlier in the week.

New York

NEW YORK table with columns for commodity, price, change.

INDEXES table with columns for index, value, change.

Chicago

CHICAGO table with columns for commodity, price, change.

WHEAT

WHEAT table with columns for commodity, price, change.

WHEAT table with columns for commodity, price, change.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up despite intervention

INTERVENTION BY 12 central banks yesterday to halt the dollar's rise yesterday. Better than expected US trade figures pushed the dollar higher but there was still insufficient impetus at first to break through the important DM2.00 level. The July deficit contracted to \$3.0bn compared with \$3.8bn in June...

reaction to a fall in August retail prices; the latter showed an annualised rate of 7.4 per cent from 8.3 per cent in July. The lack of enthusiasm was probably because the underlying rise - which excludes mortgage costs - was only slightly better than July's 5.8 per cent rise at 5.7 per cent.

The pound closed at \$1.5885 from \$1.5855 but rose against the D-Mark to DM3.0775 from DM3.0700. It was also higher against the yen at ¥228.75 from ¥228.50. Elsewhere, it finished at SF2.6550 from SF2.6500 and at FF10.3775 compared with FF10.3600.

Sterling fell quite sharply against the dollar but managed to show an overall improvement against EMS currencies. On Bank of England figures, the pound's exchange rate index finished at 91.1 from 91.3 on Thursday. There was little

Table with columns: Strike, Call, Put, Price, etc. for Liffe Long Gilt Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe Eurodollar Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 30 Year US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 10 Year US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 5 Year US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 3 Year US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 1 Year US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 6 Month US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 3 Month US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 1 Month US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 3 Month Eurodollar Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 6 Month Eurodollar Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 3 Month Eurodollar Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 1 Month Eurodollar Futures Options.

Table with columns: Strike, Call, Put, Price, etc. for Liffe 3 Month Sterling Futures Options.

IN NEW YORK

Table with columns: Sep 15, Latest, Previous for various commodities.

Table with columns: Sep 15, Previous for Sterling Index.

CURRENCY RATES

Table with columns: Sep 15, Bank, Spot, Forward for various currencies.

CURRENCY MOVEMENTS

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

OTHER CURRENCIES

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

FORWARD RATES AGAINST STERLING

Table with columns: Sep 15, 1m, 3m, 6m, 12m for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Bid, Offer for various currencies.

MONEY RATES

Table with columns: Sep 15, Overnight, 7 days, 1m, 3m, 6m, 12m.

LONDON MONEY RATES

Table with columns: Sep 15, Overnight, 7 days, 1m, 3m, 6m, 12m.

FOUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Sep 15, Bank, Spot, Forward for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

EURO-CURRENCY INTEREST RATES

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

EXCHANGE CROSS RATES

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

FOUR MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

ONE MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

THREE MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

SIX MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

ONE MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

THREE MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

SIX MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

NINE MONTH EURO-DOLLAR

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NINE MONTH EURO-DOLLAR

Table with columns: Sep 15, Bank, Forward, Change for various currencies.

LONDON MARKETS

LONDON RECENT ISSUES

Table with columns: Issue, Price, Change, etc. for various London recent issues.

RIGHTS OFFERS

Table with columns: Issue, Price, Change, etc. for various rights offers.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, Change, etc. for various fixed interest stocks.

TRADITIONAL OPTIONS

Table with columns: Issue, Price, Change, etc. for various traditional options.

COMPANY NEWS IN BRIEF

Text block containing brief company news items, including mentions of Kleinfelt, Storhouse, and Vickers.

GRANVILLE

SPONSORED SECURITIES

Table with columns: High, Low, Company, Price, Change, etc. for various sponsored securities.

GERMAN DEMOCRATIC REPUBLIC

Text block containing information about German Democratic Republic securities.

THE FINANCIAL TIMES PROPOSES TO PUBLISH THIS SURVEY ON:

Text block containing details about the survey publication.

PATRICIA SURRIDGE

Contact information for Patricia Surridge.

FINANCIAL TIMES

Additional contact information for Financial Times.

MONEY MARKETS

Firmer tone

Text block discussing the firmer tone in money markets and the Bank of England's forecast.

UK clearing bank base lending rate

Text block regarding the UK clearing bank base lending rate.

Dukeminster seeks approval to buy back its own shares

Text block detailing Dukeminster's plans to buy back its own shares.

LONDON TRADED OPTIONS

Table with columns: Calls, Puts, Price, Change for various London traded options.

FT-SE INDEX (2373)

Table with columns: Sep 15, 2373, 2350, 2320, 2290, 2260, 2230, 2200.

FT-SE INDEX (2373)

Table with columns: Sep 15, 2373, 2350, 2320, 2290, 2260, 2230, 2200.

WORLD STOCK MARKETS

US MARKETS (3pm)

Table of US stock market data including DOW JONES, NYSE Composite, and various individual stock prices and changes.

INDICES

Table of various stock indices including DOW JONES, NYSE Composite, and regional indices for Europe, Japan, and Australia.

NEW YORK ACTIVE STOCKS

Table of active stock prices and changes in the New York market, including volume and price movements.

US MARKETS (3pm) - continued

Continuation of US stock market data, listing various individual stocks and their performance.

INDICES - continued

Continuation of stock indices data, including regional and international market performance.

NEW YORK ACTIVE STOCKS - continued

Continuation of active stock prices and changes in the New York market.

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LONDON STOCK EXCHANGE Dealings

Details of business done show have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talcimen system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 55(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

* Bargains at special prices. † Bargains done the previous day.

Corporation and County Stocks

- Greater London Council 6% Deb 90/92 - 289 1/2
Birmingham Corp 2 1/2% Deb 92/98 after - 37 1/2
London Corp 3% Deb 89/91 after - 127 1/2

UK Public Bonds

- 10% Deb 88/90 - 136
10% Deb 89/91 - 136
10% Deb 90/92 - 136

Commonwealth-Government

- South Australia 7% Cons Iss 19/90 after - 259 (11/88)
New Zealand 11% Deb 2008/90 - 113 1/2

Foreign Stocks, Bonds, etc

- Provinciale de Quebec 12% Ln Sk 2020 - 214 1/2 (10/88)
Spain Kingdom of 11% Ln Sk 2000 after - 110 1/2 (12/88)

Banks and Discount Companies

- Bank of Montreal 10% Ln Sk 2000 - 110 1/2 (11/88)
Barclays Bank PLC 7% Ln Sk 2000 - 110 1/2 (11/88)

Breweries and Distilleries

- Carlsberg Breweries PLC 10% Ln Sk 2000 - 110 1/2 (11/88)
Tennent's Breweries PLC 10% Ln Sk 2000 - 110 1/2 (11/88)

Registered Housing Associations

- North Housing Association Ltd 8% Ln Sk 2000 - 110 1/2 (11/88)
Housing Association Ltd 8% Ln Sk 2000 - 110 1/2 (11/88)

Commercial, Industrial, etc

- AMH PLC 10% Ln Sk 2000 - 110 1/2 (11/88)
AECI PLC 10% Ln Sk 2000 - 110 1/2 (11/88)

Sterling Issues by Overseas Borrowers

- Asian Development Bank 10% Ln Sk 2000 - 110 1/2 (11/88)
Australia Commonwealth 10% Ln Sk 2000 - 110 1/2 (11/88)

- BT PLC 4.5% Deb 90/92 - 289 1/2
BT PLC 4.5% Deb 91/93 - 289 1/2
BT PLC 4.5% Deb 92/94 - 289 1/2

- British Airways PLC 7% Ln Sk 2000 - 110 1/2 (11/88)
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The Third Market Appendix No. of bargains included 151

Rule 55(2) No. of bargains included 235

Plantations No. of bargains included 11

Railways No. of bargains included 4

Shipping No. of bargains included 300

Utilities No. of bargains included 6

Water Works No. of bargains included 8

Mines - Miscellaneous No. of bargains included 274

Mines - South African No. of bargains included 32

Oil No. of bargains included 187

Property No. of bargains included 588

Real Estate No. of bargains included 10

Insurance No. of bargains included 608

Investment Trusts No. of bargains included 187

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Investment Trusts No. of bargains included 187

The Financial Times proposes to publish these surveys during 1989. Oct 13 Property in Scotland. Oct 27 Retail Property. Nov 17 Property Research & Information Systems. For a full editorial synopsis and details of available advertisement positions, please contact Joanna Dawson on 01-873 3269 or write to her at: Financial Times, One Southwark Bridge, London SE1 9HL.



LONDON STOCK EXCHANGE

Special trades round off dull week

SIGNS OF strain showed in the UK stock market yesterday when three trading programmes clearly weighted towards the "sell" side sent share prices sharply downwards on the last day of the current equity account. A recovery emerged towards the close, with news of an improvement in the US trade deficit in July helping to reduce earlier losses in the London market. However, the closing time was subdued, with shares beginning to sag again in the final minutes as Wall Street turned easier.

The announcement of a sharp dip in underlying inflation in the UK to 7.3 per cent concerns whether it will take up its entitlement to the 6.3m shares due from the rights issue. If the US group does not take up the stock, it will effectively lighten its holding by about one percentage point. So far there is no indication as to which way General Cinema will go, but the rise in the shares yesterday suggests there are some who believe it will take up the entitlement.

Takeover talk spur for BPB

Shares in BPB, the plasterboard manufacturer, were among the best performing alpha stocks after a late story swept around the market that a 400p share takeover bid for the group was being prepared.

Down to 285p early in the session, the shares suddenly steadied and then raced up on the back of some determined buying, to close a net 15 higher at 285p. Turnover of 4.9m shares was well ahead of recent levels in the stock.

Some dealers offered a technical explanation for the strength in Cadbury, saying that a short position in the market, and buying for the 2.8p net dividend on Monday, was the real reason for the price rise.

Midland stories

The market was awash with tales concerning the large shareholdings in Midland Bank and the latter's shares moved erratically all day, touching a 1988 high of 389p early on, before sliding back to only a net 4 higher at 379p. Turnover in Midland was 5.1m shares, well up on usual daily levels.

The early stories in Midland were that the Kuwait Investment Office had sold their near 10 per cent stake in Midland - they acquired a near 5 per cent holding in Midland from Hanson some months ago, on to West Germany's Deutsche Bank and that the latter was about to launch an offer for Midland.

Deal helps Cadbury

Cadbury Schweppes performed well against the market trend, the share price buoyed by positive reaction to the acquisition of Trebor, demand for Monday's dividend, and yet more speculation about the 17 per cent stake held by General Cinema. By the close Cadbury were 10 higher at 89p on turnover of 2.4m shares.

NEW HIGHS AND LOWS FOR 1989

Table with columns for NEW HIGHS (CO), NEW LOWS (CO), and various stock categories like BRITISH FINANCE, AMERICAN (NY), EUROPEAN, etc.

RISES AND FALLS

Table with columns for Rises, Falls, Same, and various stock categories like British Shares, Corporate Bonds, etc.

Industries after the UK Takeover Panel granted Hoylake's wish that its £13.5bn bid for BAT should have pending US regulatory decisions. It may then be renewed.

FT-A All-Share Index 1250 1200 1150 1100 1000 900 800 700 600 500 400 300 200 100 0 Jul Aug Sep

Equity Shares Traded

Turnover by volume (million) 800 600 400 200 0 Jul Aug Sep

Armstrong raid

A morning raid on Armstrong Equipment, said to have been made by Citicorp Scrimgeour Vickers, followed hard on the heels of a bid on Thursday for the company from Caparo.

Index has lost 57.4 over the past week or some 2.4 per cent, influenced both by Wall Street's trend and by a cautious reception for the corporate reporting season in the UK. However, over the two week equity account, the FT-SE Index has shed 41 points.

The final reading on the FT-SE Index showed a net fall of 15.5 points at 2,365.5. The day that it had already picked up a 3.75 per cent stake in Armstrong tamped analysts to the conclusion that the former was building a stake before buying Caparo's holding, so as to have a better springboard for a takeover.

BAT's erratic

THE UK Takeover Panel's ruling that Hoylake's £13.5bn bid for BAT Industries can be allowed to lapse, and then be renewed if the US regulatory rulings are favourable, switched on the speculative buying of BAT stock again.

The rest of the clearing also attracted plenty of activity, with traders reporting heavy switching business, much of it from Lloyds to NatWest, and some big two-way activity in Barclays. The latter dropped 9 to 530p on 3.2m while Lloyds fell 7 to 412p on 2.4m and NatWest 2 1/2 to 385p on 4.1m.

emphasised on the sell side as the price dropped 4 1/2 to 286 1/2 as an impressive 7.6m shares changed hands. Moss Bros slumped 20 to 285p after Amber Day explained why its attempt to agree a merger with Moss Bros failed.

Turnover was again heavy in Asia, with 11m of the underlying shares changing hands and the market worth 1.5m shares traded in the options market. The price eased slightly, to end down 3 at 200p, but there was yet more talk of an overseas bid in the next account.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 based on Thursday September 14 1989. Includes categories like Agencies, Health, Food, etc.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds with columns for Coupon, Red Date, Price, Change, Yield, Week ago, Month ago.

FINANCIAL TIMES STOCK INDICES

Table with columns for Government Securities, FT-SE 100 Share, FT-SE 250 Share, etc., and rows for various dates and indices.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks with columns for Stock, Value, Date, etc.

unchanged at the end of the day on 77p. Turnover was 6.8m shares, compared with 780,000 in the fully paid version which ended a shade better at 143p.

British Aerospace investors reconsidered the disappointing figures of earlier in the week and sold some more shares. The price fell 15 to 64p in good turnover of 3.4m shares.

lines from a consortium involving British Airways, was described by one analyst as a "graceful withdrawal" from the takeover race. BA held firm in the weak market on relief that the company would not be involved in an auction for UAL.

British Steel also had a hesitant morning, slipping to 74p before new time buying, traded options activity and interest in the fully paid version of the stock left the party paid

unlikely to outperform further in the near term against a background of uncertainty surrounding the December OPEC meeting. There was disappointment with the dividends and Shell shares, weak after the news was issued, fell again yesterday to close a net 4 off at 45p; turnover came out at 7.1m, well above usual levels.

The publicity given to BP's restructuring, via the substantial job losses and asset sales, caused some persistent selling of the stock, which eventually settled 5 off at 315p, after turnover of 12m.

COMMODITIES

WEEK IN THE MARKETS

Base metals consolidate after falls

MOST LONDON Metal Exchange base metals prices consolidated this week following last weeks fall, which were extended on Monday after the announcement that the rise in warehouse stocks for all contracts except aluminium.

The sharpest price rise on the LME was in the lead market, where the cash position moved up within 50p a tonne of the recent 9-year high. An unexpectedly large 4,825-tonne rise in LME stocks last week, to 32,100 tonnes, had pushed the cash price down 25.5 a tonne on Monday.

last week's advance amid talk that President Bush was about to declare his support for Colombia in its fight against the drug barons might extend to a rethink of American policy on the International Coffee Agreement. The November position on the London futures market closed yesterday at \$200 a tonne, up 57 on the day but down 22 on the week.

In the absence of concrete news from the international pact meeting due to end in London last night, the cocoa market was described as "frittery". The December futures price closed last night at \$219 a tonne, up 11 on the week.

Head of defence at British Aerospace

Mr Sydney Gillibrand will succeed Mr R.E. Evans as chairman of defence companies of BRITISH AEROSPACE in the new year. The companies involved are BRITISH AEROSPACE (DYNAMICS), BRITISH AEROSPACE (MILITARY AIRCRAFT) and ROYAL ORDNANCE. He will replace the current British Aerospace (Commercial Aircraft) Mr Evans, as already announced, will become chief executive of British Aerospace in the new year.

APPOINTMENTS

Mr Mike Smith is the new group director of marketing at HALL AND TAWSE, a subsidiary of Reine Industries. Mr Smith, who joins the company from Tarmac Construction, will be based at the group head offices in Mackworth, Derbyshire.

programme.

Other organisational changes are being considered. Mr John Lawrence was named a director of SHELL UK, and he also succeeds Mr Nigel Beaton as director and chairman of subsidiary Shell Ventures UK. Before a recent short period on a special assignment, Mr Lawrence was director, marketing, Shell UK Oil.

controls. Mr Mike Humphrys is promoted to UK sales manager and Mr Ray Thomas becomes marketing manager power equipment.

Mr B.A. Bentley has become a director of COMMERCIAL UNION PROPERTIES. He will remain responsible for the development trading activities of its subsidiary, Commercial Union Properties (UK).



Mr Mike Smith



Derek Tadiello

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Main table of unit trusts with columns for Unit Name, Price, and % Change.

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES: Where applicable, the commission... UNIT TRUST PRICES: The price at which units may be bought... UNIT TRUST PRICES: The price at which units may be sold...

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Offer, Yield, and other financial metrics. Includes sub-sections for 'OFFSHORE AND OVERSEAS', 'MANAGEMENT SERVICES', 'GUERNSEY (SIB RECOGNISED)', 'LUXEMBOURG (SIB RECOGNISED)', and 'JERSEY (SIB RECOGNISED)'.

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FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'ISLE OF MAN', 'LUXEMBOURG', and 'OTHER OFFSHORE FUNDS'.

LONDON SHARE SERVICE

Table of London Share Service, including sections for 'BRITISH FUNDS', 'BRITISH FUNDS - Contd', and 'LOANS'. It lists various investment funds and loan products with their respective prices and yields.

Money Market Bank Accounts

Table of Money Market Bank Accounts, listing various bank accounts and services offered by different financial institutions, including interest rates and terms.

NOTES: Gross rates to 100.000... (Small text providing additional details and disclaimers for the Money Market Bank Accounts section.)

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for High, Low, Stock, Price, and % Change.

CANADIANS

Table listing Canadian stocks with columns for High, Low, Stock, Price, and % Change.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for High, Low, Stock, Price, and % Change.

Hire Purchase, Leasing, etc.

Table listing hire purchase and leasing companies with columns for High, Low, Stock, Price, and % Change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for High, Low, Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies with columns for High, Low, Stock, Price, and % Change.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and roads companies (continued) with columns for High, Low, Stock, Price, and % Change.

DRAPERY AND STORES - Contd

Table listing drapery and stores companies (continued) with columns for High, Low, Stock, Price, and % Change.

ELECTRICALS

Table listing electrical companies with columns for High, Low, Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for High, Low, Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for High, Low, Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies with columns for High, Low, Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering companies (continued) with columns for High, Low, Stock, Price, and % Change.

ENGINEERING

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ENGINEERING

Table listing engineering companies with columns for High, Low, Stock, Price, and % Change.

ENGINEERING

Table listing engineering companies with columns for High, Low, Stock, Price, and % Change.

ENGINEERING

Table listing engineering companies with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial companies (continued) with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS (Misc.)

Table listing industrial companies with columns for High, Low, Stock, Price, and % Change.

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INDUSTRIALS (Misc.) - Contd

Table listing industrial companies (continued) with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS (Misc.)

Table listing industrial companies with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS (Misc.)

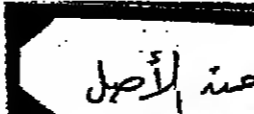
Table listing industrial companies with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS (Misc.)

Table listing industrial companies with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS (Misc.)

Table listing industrial companies with columns for High, Low, Stock, Price, and % Change.



LONDON SHARE SERVICE

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LEISURE

Table of share prices for Leisure sector including companies like British Skyways, British Airways, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table of share prices for Paper, Printing, Advertising sector including companies like News International, Newsprint, and others.

TEXTILES - Contd

Table of share prices for Textiles sector including companies like British Textiles, and others.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, Land sector including companies like British Land, and others.

OIL AND GAS - Contd

Table of share prices for Oil and Gas sector including companies like British Petroleum, and others.

MINES - Contd

Table of share prices for Mines sector including companies like British Coal, and others.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors, Aircraft Trades sector including companies like British Aerospace, and others.

PROPERTY

Table of share prices for Property sector including companies like British Land, and others.

TOBACCO

Table of share prices for Tobacco sector including companies like British American Tobacco, and others.

TRANSPORT

Table of share prices for Transport sector including companies like British Airways, and others.

OVERSEAS TRADERS

Table of share prices for Overseas Traders sector including companies like British Overseas Airways, and others.

THIRD MARKET

Table of share prices for Third Market sector including companies like British Overseas Airways, and others.

Commercial Vehicles

Table of share prices for Commercial Vehicles sector including companies like British Leyland, and others.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like British Land, and others.

Investment Trusts

Table of share prices for Investment Trusts sector including companies like British American Tobacco, and others.

Finance, Land, etc

Table of share prices for Finance, Land, etc sector including companies like British Land, and others.

PLANTATIONS

Table of share prices for Plantations sector including companies like British Overseas Airways, and others.

RUBBERS, PALM OIL

Table of share prices for Rubbers, Palm Oil sector including companies like British Overseas Airways, and others.

Components

Table of share prices for Components sector including companies like British Leyland, and others.

SHOES AND LEATHER

Table of share prices for Shoes and Leather sector including companies like British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like British Land, and others.

Oil and Gas

Table of share prices for Oil and Gas sector including companies like British Petroleum, and others.

MINES

Table of share prices for Mines sector including companies like British Coal, and others.

Far West Rand

Table of share prices for Far West Rand sector including companies like British Overseas Airways, and others.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers, Publishers sector including companies like News International, and others.

SOUTH AFRICANS

Table of share prices for South Africans sector including companies like British American Tobacco, and others.

TEXTILES

Table of share prices for Textiles sector including companies like British Textiles, and others.

OIL AND GAS

Table of share prices for Oil and Gas sector including companies like British Petroleum, and others.

FINANCE

Table of share prices for Finance sector including companies like British American Tobacco, and others.

DIAMOND AND PLATINUM

Table of share prices for Diamond and Platinum sector including companies like British Overseas Airways, and others.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising sector including companies like News International, and others.

SHOES AND LEATHER

Table of share prices for Shoes and Leather sector including companies like British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like British Land, and others.

OIL AND GAS

Table of share prices for Oil and Gas sector including companies like British Petroleum, and others.

MINES

Table of share prices for Mines sector including companies like British Coal, and others.

REGIONAL & IRISH STOCKS

Table of share prices for Regional & Irish Stocks sector including companies like British Overseas Airways, and others.

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Weekend FT

SECTION II

Weekend September 16/September 17, 1989

THE SPECTACLE of aggressive, antipodean entrepreneurs roaming the world on borrowed money has been one of the more intriguing curiosities of the 1980s. At their peak, the likes of John Elliott, Robert Holmes & Court, Sir Ron Brinkley and Alan Bond spread fear into the boardrooms of some of the world's most worthy industrial giants. Even after the Crash of '87, some of these entrepreneurial volcanoes are far from extinct. Yet their noisy and well-documented predatory activity has attracted attention from their wider economic significance.

More's the pity. For the brain-march of Australian and New Zealand entrepreneurs across the world stage tells us as much about the workings of the global economy in the present decade as any dry report from the Organisation of Economic Co-operation and Development will ever do.

They come from countries where all the more extreme problems of the 1980s - collapsing commodity prices, excessive rigidity in labour markets, balance of payments deficits and soaring external debt - have been compounded in near-laboratory conditions with the most fashionable economic nostrums of the decade.

The moral, as we shall see, is that the great huzz-word of contemporary economic policy - deregulation - is far from the simple panacea that many seem to think. And when it is applied to a world which Third World economy with a First World financial system and a strong entrepreneurial tradition - Australia - it is a recipe for some very quirky happenings. What it will do for the prospects of Labor premier Bob Hawke in the forthcoming Australian general election is an open question. There is little doubt, however, that the rampant downfall of New Zealand's former prime minister, David Lange, had much to do with his government's radical venture into liberal economics.

The starting point of the Australian experiment is the natural predicament of a country that derives nearly 80 per cent of its export revenues from agricultural products and minerals. It is a country, too, where longstanding protection has undermined the competitiveness of manufacturing. Faced with a collapse in the price of the country's main commodity exports and a run on the currency in the first half of the 1980s, the incoming Labor government's distinctive Australian response was to renege on its obligations to a corporatist vein.

Devaluation and the floating of the Australian dollar were combined with a Swedish-style income policy, whereby the unions accepted lower real wages in exchange for tax cuts and social benefits. The outcome was an increased profit share in gross national product, as the rate of job creation rose to US-style levels. Real wages, however, kept meaningfully below the banking system to foreign competition. "What have the banks ever done for us?"

At state level, labour politicians in Western Australia took Japanese-style corporatism into new territory with a philosophy of govern-

mental entrepreneurship. Why not, ran the argument, deploy the state government's cash flow in partnership with business until the income rises to replace taxation? This remarkable phenomenon was quickly dubbed W.A.Inc. Victoria followed suit.

On the face of it, any policy designed to liberalise the workings of the Australian financial system and give business more room for manoeuvre might have been expected to work well in a country with a strong tradition of entrepreneurship. It is a tradition that goes back to the early days of European settlement and the Rum Corps - the New South Wales Corps which established a profitable monopoly of imports starting with a cargo that included 7,500 gallons of rum.

This flinty, anti-establishment strain in the culture may explain the tendency of Australian entrepreneurs to "beat the system to its limits". John Elliott exploiting the chinks in the British takeover code in his raid on Scottish & Newcastle; Rupert Murdoch exploring the boundaries of taste and decency with his *Sun* and *News of the World* newspapers; Kerry Packer putting one in the eye of the Australian cricket establishment by turning cricketers into highly paid entertainers; and virtually all of them taking their auditors to the extreme of what company law and accounting standards permit.

Yet in Labor's new economic environment the entrepreneurs did not do as well as the orthodox economists expected. When exchange controls were lifted in 1984, the general assumption was that capital imports would be used to increase investment and enhance the capacity of the tradable goods sector to service the rising foreign debt. In practice much of the inflow went into consumption, and the entrepreneurs were far too busy playing the new games allowed by financial deregulation to spare much thought for Australia's export capability.

One paradox to arise from the removal of exchange controls in a decade of high real interest rates is that money is not necessarily scarce when it is expensive. In a world of free capital flows, countries that run deficits on the balance of payments and businesses who borrow heavily in international markets actually create opportunities for investors to earn above-average returns. In the roaring bull market climate before October 1987, Australian entrepreneurs were happy to borrow from these investors at high rates - unlike their counterparts in countries like West Germany and Italy, with illiquid stock markets and few takeovers, they could hope to make good any shortfall of income against borrowing costs by selling shares or companies at a profit.

The system of corporation tax made it cheaper to buy a company that owned plant and machinery than to buy plant and machinery directly. Interest payments were also fully allowable against taxable profits. All this fuelled a takeover boom in a country where, by common consent, the law of the jungle governed bids and deals - and when the predators ran out of targets on the Australian Stock Exchange,



Taking stock down under

John Plender on the debt legacy Australia has been left by the spending spree of its entrepreneurs in the 1980s

they looked for larger and happier hunting grounds.

A revealing part of the story is how deregulation introduced a multiplier into the process - it allowed 15 foreign banks to enter a market dominated by four big domestic trading banks. The number of merchant banks also rocketed from about 40 to more than 100.

For this gaggle of bankers working in a newly competitive climate, the frenetic Aussie entrepreneurs were a godsend. They had the answer to two key questions affecting the bankers' livelihood - how to find outlets for all the liquidity swirling around the global system, and how to generate fee income to make up for the declining profitability of their basic lending business.

One by-product of this marriage

of convenience was that the Australian dollar started to play a role out of all proportion to the importance of the domestic economy. Another was the extraordinary trail of bids, deals and share takeovers that the entrepreneurs left behind them as they careered through the corporate corridors of the world: Texaco, Fox Broadcasting, G. Heileman Brewing, New York's St Moritz Hotel in the US; Allied Lyons, Standard Chartered, Courage and the M & G unit trust group in Britain; telephone companies in Chile; oil exploration in the Republic of China; property everywhere - the list is endless.

So was the amount of junk paper the bids and deals left behind - and there lies part of the macro-economic problem that no-one foresaw. The Federal Government has, in

effect, privatised the financing of the current account deficit of its balance of payments. The greater part of Australia's net external debt, which has grown to more than \$100bn (\$47.5bn) or more than 30 per cent of GDP, is owed by the private sector. Since much of the debt has financed the entrepreneurs' buying spree in world markets - instead of expanding domestic production - Australia is in a very curious financial position. It depends on the entrepreneurs putting their gambling chips on winners in the global casino to repay its external debt.

The position is made more extraordinary by an unexpectedly large recent jump in the current account deficit to between 4% and 5 per cent of GDP - this bears a

remarkable resemblance to US and British experience. Nor is it any coincidence that the three largest Anglo-Saxon economies have all just deregulated their financial systems.

In each case, private individuals have reorganised their assets and liabilities to exploit their new freedom to borrow and invest. As they did so, personal sector borrowings rose, as did the value of assets in property and share markets, against a background of loose monetary policy. That produced increased consumption and declining savings ratios, with excess demand met by excess supply in other countries. However, the cost has been a deteriorating balance of payments.

Some in Australia argue that since it is a private sector problem, it scarcely matters - an argument that has a familiar ring to people in Britain. As Don Stammer, chief economist of Sydney investment bankers Bain, puts it, however, Australia is like a highly geared company - vulnerable to shocks.

Small wonder that the rating agency Moody's has downgraded Australia's credit rating. Or that monetary policy has been hijacked by the requirements of the external account, to ensure adequate capital inflows. Yet the Federal Government, as a net international creditor, has little control over the country's credit standing. It is a hostage to the fortunes of the entrepreneurs. For if a big corporate bankruptcy unsettles the markets, interest rates will rise a notch and increase Australia's high debt service obligations.

At the micro level, the result of financial deregulation has been what Iain Thompson, Westpac's general manager of corporate banking, calls "a bell of a lot of cowboy banking," in which a front-end fee and glory at the bar has played a more important role than the client's interest. The result is some curious balance sheet structures.

The *locus classicus* here is Bond Corporation Holdings, whose balance sheet has the all the improvisational quality of early gothic. Not for nothing is Alan Bond's name a synonym for a quoted IOU. And as the masons of the global banking system poured largely unsecured money into separate parts of Bond's group, they failed to consider the wider balance sheet structure. So when the last accounts emerged, they revealed huge borrowings and a negative net worth. If intangible assets were excluded.

The next balance sheet is a source of mighty speculation as Bond dismembers his tottering empire - including this week his stake in Leamro - to stay a jump ahead of the bankers. And a change in the tax system has reduced much of the anomaly whereby plant and machinery cost less through takeovers than direct investment. That and ever-rising interest rates makes the going tougher for raiders and traders. According to John Poynton, chairman of the Australian Stock Exchange in Perth, there is also a more general backlash against the entrepreneurs, because lax business ethics have hurt credibility. No longer are entrepreneurs admired like Australia's cricketing heroes.

The politicians, too, are suffering

from a hangover after the party, and the room is not confined to the balance of payments. The new wage accord with the unions, while a macro success, has been a micro misfortune. William Shields, chief economist of Macquarie Bank, points out that wage relativities have been depressed and the incentive to acquire new skills reduced.

The experiment with state corporatism, meantime, foundered on sheer incompetence. According to Les McCarrey, a former head of the Western Australian Treasury who fell out of favour with the leading lights of W.A.Inc, the idea of government as trustee was sacrificed in the attempt to create government as entrepreneur. Politicians with no financial experience were influenced by outsiders, whose advice was coloured by private interest.

That is not to say that the great decade of Australian entrepreneurialism was a failure. The float and subsequent collapse of the Australian financial system, yet provide the most extreme testing ground for the economic conundrums and nostrums of the 1980s - not least in relation to payments imbalances, mounting budget surpluses and the environment.

According to Peter Jonson, deputy managing director of James Capel Australia, "the great question for Australia or any small deficit country is whether to take the painful steps needed to restore sovereignty; the alternative is eventual absorption and integration into the creditor countries."

That is the dispassionate economist's way of saying that the age-old threat from the North has become economic - no military. Australians must decide how much of their country they are prepared to sell to the Japanese to finance the deficit, before they become a satellite in the new Japanese co-consumption zone.

Or could it be, as the American economist David Hale has argued, that Australia may now turn its comparative advantage in sport and leisure into a tradeable service capable of restoring the balance of payments from the straits of the commodity cycle? The implication might be that while others sweat to compete with Japanese levels of productivity, hedonistic Australians will be teaching the workaholic Japanese how to relax.

But if this calls for more hotels and leisure complexes on Queensland's Gold Coast, how will the environmentalists be pacified? For it seems that there is nowhere in this vast and empty country which is not sacred ground either for Aborigines or so-called greenies.

This will create a more pedestrian environment for entrepreneurs, perhaps, but a fascinating laboratory in which the conflict between First World aspirations and Third World commodity-based economics allows the rest of us to study a changing version of one of the great potential battles of the 1990s.

The Long View

When the arithmetic does not add up

YOU CAN'T describe a complex idea in one number. But financial product marketing being what it is, the impossible is regularly attempted.

You can best draw in the punters when your ads feature one big fat bold percentage number - a high one when you are seeking investors, a low one when you are selling loans. Even if there is some accompanying small print, it is unlikely to be read very carefully, still less understood. Hence the current vogue over the Jersey-based high-yield gilt funds. In the future, we can expect blood to be similarly split over foreign currency mortgages.

Simple arithmetic can cause quite a lot of the confusion. Interest rates are not always quite what they seem. Take a building society account where the rate is quoted at 9.0 per cent, and a clearing bank high-interest account offering 8.5 per cent. The building society seems to be the clear winner. But take a closer look. You may well find that the society's interest is only paid annually, while the bank account is credited quarterly. Compounding therefore covers into play and the effective annual rate on the bank balance is 9.3 per cent.

As for borrowing rates, some years ago the Government was forced to step in and impose a standard formula for the annual percentage rate (APR) on consumer credit, where lenders were inclined to quote



an appreciation of their capital in real terms as well. Professional investors tend to look at total rates of return rather than capital gains and income separately.

In practice, the tax man has played a big part in determining attitudes. Traditionally incomes were taxed (especially

investment incomes, which were regarded as fair game for surcharges) but capital gains were not. For most of the post-war era in Britain, wealthy individuals have searched for ways of turning income into capital.

Now we have a capital gains tax which is, on the face of it, payable at the same rate as income tax. But the tax-free band for capital gains is significantly larger than the personal income tax allowances. Moreover, whereas capital gains are quite properly taxed on an inflation-adjusted basis, the full nominal amount of investment income is chargeable.

Building society investors have lost 7% per cent of their investment over the past year in real terms, and have received a real pre-tax income, on a grossed-up basis, of about 3% per cent. However, they have been taxed on this full underlying nominal income of 11 per cent. The post-tax real return on a typical building society account, during a period of supposedly high interest rates, has been about 1 per cent (and nil, or worse, for a 40 per cent taxpayer).

The people who really ought to be complaining are the investors yet, perversely, all we hear about is the supposed plight of the borrowers. For an explanation we must go back to definitions.

The investors are turning real capital into nominal income, which for the short-sighted is a comfortable form

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FINANCE & THE FAMILY

John Edwards looks at Schroder's return to the UK retail market

Back to unit trusts after a 3-year break



Clive Boothman

AFTER A three-year absence, Schroder, the international investment banking group, has decided to return to the retail unit trust market in the UK.

Three years ago Schroder caused quite a furore by selling its Schroder Life subsidiary to National Mutual of Australia. The deal, which allowed National Mutual to continue using the Schroder name for three years, included an agreement that Schroder would stay out of the retail market for three years.

It did, however, retain a group of wholesale unit trusts under the SIM (Schroder Investment Management) banner, which with nearly £1bn under management is the 11th largest unit trust group. However the funds managed by SIM are primarily from Schroder institutional and private clients at present.

Now the three years is up, Schroder Life has been rechristened NM Group, and Schroder has decided to re-enter the unit trust market from October 1.

It will be launching six additional funds increasing the

total number of unit trusts to 14 and also some related products, such as Personal Equity Plans.

Clive Boothman, managing director of the newly formed Schroder Unit Trust subsidiary company, denies there has been any change of policy by Schroder. He says the main objective of the group was to sell the life company, since it was felt that as a medium-sized player it would have difficulty in prospering without a powerful parent in the same field.

The unit trusts were reluctantly included in the sale package, as a large proportion of their funds were unlinked life business, but it was always Schroder's intention to come back into the retail unit trust market.

Under the new set-up, however, the unit trusts would be sold through the larger investment-oriented financial intermediaries, without a life company sales force as previously.

Boothman says the plan is to concentrate on mainstream funds, with a major companies and smaller companies fund

UNTIL THIS week there might just have been a happy corner of England and Wales which had so far avoided hearing about the privatisation of the water industry.

Not any more. Chairmen of the 10 water and sewage businesses have just sent a letter to 20m customers. For the benefit of hermits, recluses and others without access to a television or newspaper it begins: "As you may know..."

The package - also being mailed to 390,000 small investors living in Scotland, Northern Ireland, the Channel Islands and the Isle of Man - contains firm details of the incentives on offer to potential private investors.

It illustrates the Government's conviction that water privatisation - the simultaneous sale of 10 regional businesses - will be a prime opportunity to expand the geographical spread of private share ownership.

So how does this scheme differ from previous privatisations?

Although potential investors do not have to decide in advance which incentives they want to receive, they do have to register with the Government's water share information office to be eligible.

The easily understood concept of a discount on domestic bills - a feature of the British Gas and British Telecom privatisations - has been dropped from the list of perks. That is hardly surprising, as the billing structure of the water industry is complex.

Instead the Government

Andrew Hill on the next privatisation's incentives

How to lure H₂O owners



BRYAN GOULD, the Labour Party's spokesman on trade and industry, warned this week if a Labour government took the water industry back into public ownership it might pay compensation "well below the original issue price."

In a special article on water privatisation in Thursday's FT, he said: "This prospect should give pause to all potential investors."

is, for the first time, offering shareholders who buy a stake in their local business a discount on the flotation share price.

Everyone living in a house served by one of the former water authorities is eligible for these customer incentives, from babes-in-arms to pensioners. This is different from British Gas, where households with a single gas supply could only receive a discount on their gas bill for one household's application.

How will the incentive scheme work?

The incentives will only be available to individuals. Companies, businesses, clubs and associations will not be eligible for the perks.

Customers buying shares in their local water and sewage business will receive preference over other potential investors if there is heavy demand. Payment for shares, as in previous privatisations, will be made in three instalments, probably spaced out over 18 to 20 months. The perks can only be claimed after a certain period, to encourage loyalty.

If, as a customer, you buy shares in your local business you will be entitled to one of three incentives, to be chosen when you fill in your application form.

A cut in the price of the

sell part of your holding before paying the second or third instalments, but the buyer would have to pay the full price when those instalments were due.

Bonus shares in your local water and sewage business.

This is a concept familiar to investors in previous privatisations. The shareholder receives a certain number of free shares after a specified period. In the case of British Gas the offer was 10 new shares for every 100 bought at flotation and held for three years.

Customers of two or more water and sewage businesses (for example, those with a second home) will have to choose which of the businesses to nominate for their incentives.

One in four people in England and Wales receive their water supply from statutory water companies. They will still be eligible for incentives, provided their waste water is taken away by one of the 10 water and sewage businesses. All eligible customers should receive a chairman's letter.

The package, in effect, asks you to choose between the certain value of a cash discount and the less certain value of free shares after two or three years. The worth of the second incentive obviously depends on whether you think water

shares will rise or fall after privatisation.

There is a third alternative.

Bonus shares in a water business other than your local company.

You can invest in as many of the 10 companies as you wish, but you can only receive incentives in one, and you can only receive cut-price shares in a business of which you are a customer.

If you decide, however, that your local business is not as attractive an investment as, say, the neighbouring business, you can apply to receive bonus shares in another water company instead, at a slightly lower rate than if you were a customer.

The same bonus share concept is open to potential investors who are not customers of the 10 businesses. For example, the 4 per cent of people in England and Wales who have their own private water supply and sewage arrangements, and inhabitants of Scotland, Northern Ireland, the Isle of Man and Channel Islands.

Some important details of the incentives have yet to be decided.

The payment timetable and structure have not been revealed. Most importantly for those interested in the incentives, the extent of the share price discounts, the number of bonus shares and the difference between the customer and non-customer rates are still unknown.

According to the Government's advisers, most of those facts should emerge next month.

Investment trust-based plans launched

Perhaps the best PEP

INVESTMENT trust-based Personal Equity Plans (PEPs), arguably the best vehicle on the market, are still something of a rarity. However, this week several new ones were announced.

Ivory & Sims, the Edinburgh investment house, said it was launching a range of PEPs based on investment trusts and with a choice of objectives - either growth of income or capital growth.

The income growth portfolio PEP allows you to put up to £2,400 into the group's Investors Capital Trust, which confirmed that it qualifies with the PEP rules that require at least 75 per cent of the holdings to be in UK ordinary shares. The trust changed its policy in 1985 to include high proportions of its UK stock holdings, and it expects to continue to be a qualifying investment trust.

First Charlotte, which specialises in seeking capital growth from investing in smaller companies, also said its intended to retain 75 per cent of its assets in qualifying shares.

Ivory & Sims' investment trust accumulator portfolio gives you the choice of six investment trusts, including First Charlotte. However, with the other five trusts only £750 can be invested because since most have more than 25 per cent of their holdings in overseas shares and are not qualifying trusts. The remaining £4,000 will buy UK shares considered to have long-term capital growth potential.

The group says its charging structure is one of the most competitive in the market place, but it does not seem that way. There is an opening charge of £50, plus an initial dealing charge of 3 per cent of the investment, an administration charge of 0.25 per cent and finally an annual management fee of 1.25 per cent. However there are no extra dealing costs.

Contrast this with the Murray Johnstone investment trust PEP which has an initial charge of only 1.5 per cent and an annual management fee of 1.25 per cent. What is more Murray Johnstone says it has negotiated a reduced rate of stockbrokers' dealing commis-

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Going for gold

A DOWNMARKET gold credit card is to be introduced by Lloyds Bank next month. To qualify for Mastercard Gold, you will need to earn only £20,000 a year and pay an annual fee of £30.

The minimum credit limit is a lowly £2,500, however, and the preferential interest rate on borrowings up to £10,000 will be pitched initially at 1.5 per cent a month or 20.5 per cent a year. This is equivalent to an annual percentage rate (APR) of 23.4 per cent, making the £30 entrance fee into account.

If you borrow over £10,000, the interest rate is cut to 1.4 per cent a month or 18.1 per cent annually - more in line with other gold cards.

There is an option of making direct debit payments from a Lloyds current account,

effectively making it a charge card. The package also includes free insurance for 90 days on purchases with the card, commission-free purchase of travellers cheques and foreign currency and free travel insurance up to £100,000 to cover death or injury.

The new card can be used to obtain cash, up to a maximum of £500, from the 2,000 cashpoint machines in the UK and from 150,000 banks abroad. It will be accepted where Mastercard or Eurocard symbols are displayed.

Lloyds will continue to provide the American Express gold card, which enables you to borrow up to £100,000 without question.

FINANCE & THE FAMILY

The real value of a pension

I INTEND to transfer my deferred pension rights, accrued in my former employer's scheme, into a personal pension. I have been informed by my former employer that the transfer value of my pension is £27,625. The benefit to which I am entitled is a pension of £7,072 pa. at the age of 60. I am now 57, and my birthday is in April. The pension is index linked to the extent required by law, i.e. the smaller of 4 per cent or the rate of inflation.

I wish to be reasonably certain that I am getting a fair deal on the transfer value. I am not an actuary but as a chartered accountant I understand the principles of present value calculations. I know that my pension scheme is fairly sound and normal in its arrangements so that normal actuarial assumptions, would, I think, apply.

However, how can I obtain

an independent professional opinion on the transfer value? For example, could I require the actuaries to the scheme to certify the transfer value? What precise information should I request from my former employer?

■ Calculation of your pension of £7,072 pa. will be based on the amount you have accrued under the rules of your scheme and you are correct in assuming that the trustees of this particular scheme will have had this calculation correctly done and checked.

If you look at the rules of your scheme you ought to be able to do a rough check on the figure yourself. You take the final salary at the date of leaving (as defined by the rules and which should be quoted in the document issued to you) and the number of 60ths or 80ths (or whatever the formula) you have earned by your pensionable service up to the date of

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

leaving.

As the legislation requires schemes to give "fair value" in terms of a transfer value payment, and as guidelines have been laid down for schemes as to what constitutes "fair value," we think that you can reasonably rely on the £27,625 figure that you have been given. If you wish to get advice from independent actuaries and consultants then you should hand them your scheme booklet plus the document that you have been sent setting out your leaving service options. Once they have received your written authority to approach your former employer they will be in a position to know what supplementary questions they need to ask.

David Barchard examines the advantages of 'plastic money' at home and abroad

Play your cards right on holiday

USING PLASTIC cards to draw cash while travelling, rather than relying on wads of notes or travellers cheques, has obvious attractions. Although many people still use travellers cheques, it is probably only a matter of time before they give way to plastic.

Advantages of cards are their superior portability, the reduced risk of theft, and the fact that you do not need to pay in advance for the cash you draw (as you do when buying foreign currency or travellers cheques). On top of that, a cash advance may well be cheaper than travellers cheques.

But can you be sure that you will always be able to find a machine to fit the card you are carrying? There are some 14,531 automatic teller machines (ATMs) in Britain, belonging to three principal networks:

■ **Mint**, the network operated by National Westminster, Midland, and TSB, has 8,293 machines and an estimated 12m cards in circulation (Midland also belongs to another minor network with Clydesdale Bank.)

■ A second network whose principal members are Barclays, Lloyds, Royal Bank of Scotland and Bank of Scotland, with 5,016 machines and 12.8m cards;

■ **Link**, which includes building societies, Abbey National and Girobank. Link expects to have 3,500 machines and 12.5m cards by the end of this year.

These networks are relatively new and still growing. Link, for example, has only recently absorbed Halifax Building Society's independent network of Cashcard machines, and is still completing its merger with its former rival, Matrix. All allow the withdrawal of money direct from your current account.

Two international ATM systems established in the US, Citrus and Plus, have been offering similar services to bank customers in other countries. Link is a member of Plus, and most, but not all, Link cards can be used in Plus machines in the US and Japan. The main exception is Halifax's Cashcard debit card.

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institutions use their machines.

Halifax Building Society brought this out into the open recently when it joined the Link system. It announced that any of its Cashcard customers who used machines belonging to other societies would have to pay 50p per transaction.

If you plan to have a building society account from which you want to withdraw money regularly via a Link cash machine, it probably makes more sense to belong to one of Link's other members. They do not penalise customers for using other institutions' machines.

Cross-frontier ability to draw money from your current account can be obtained by direct bank-to-bank relations. Customers of Royal Bank of Scotland who holiday in Spain, for example, can use cash machines at 390 branches of its sister bank, Bank Santander. That service is free and - as yet - very unusual. The Santander branches with the machines that Royal Bank of Scotland customers can use are in Madrid, Alicante, Malaga, Majorca, and the Canary and Balearic islands.

POINTS TO WATCH

- If you have a bank cashcard which also has a Visa branding, you will pay nothing if you draw cash from your own bank or one in the same system, but there will be a 1.5 per cent commission charged if you draw your money via the Visa network.
- Not all the cards from your bank will necessarily work in the same machine. For example, TSB's Speedbank cashcards work in all the MBNT network ATMs, but the bank's new Bankcard (as yet) does not work in NatWest machines.
- Even if you know your bank cashcard number by heart, you are probably less familiar with the PIN for your credit cards which you want to use while on holiday.
- Never, under any circumstances, write a PIN on your card or anywhere where it is likely to be able to identify it. If you do this, and your card is stolen, you could be liable for any losses incurred.
- Quite apart from the stiff charges involved, it does not make sense to draw money regularly on your credit card when at home. Card issuers take note if you do and tend to regard it as a sign that you may be in financial difficulties.



will find Eurocheque machines every few yards in German shopping centres. However, these machines are unlikely to be of much use to you if you are English.

Although most UK retail banks offer Eurocheque cards, only Midland and NatWest have added a cash machine capacity to their Eurocheque Guarantee cards by giving each customer a PIN number. Barclays says it is thinking about doing the same but has not announced a date.

Even if you are fortunate enough to have a UK Eurocheque card that you can use in West German machines, you will not be able to use it in all German Eurocheque ATMs, only a limited number of the 50,000 Eurocheque cash machines in Germany accept foreign cards.

In France and Spain you should be able to find machines fairly easily which will take either Visa or Access/Eurocard. France has, at least in theory, a unique ATM network speaking both Visa and the French equivalent of Visa. In other parts of Europe, such as Scandinavia, Visa machines are increasingly common. In Turkey, the Yapi ve Kredi Bankasi has just introduced cash machines in some tourist locations. These accept foreign Visa cards.

American Express cardholders are in a slightly different category. They have access to 22,000 machines in 25 countries, but they have to apply to American Express for a PIN number which enables them to use the machines. There are 14,500 machines for Amex cardholders in the US and 7,000 in Europe. Most of these are in Britain, where Amex cardholders can tap two networks, Link and the Lloyds and Royal Bank of Scotland machines (but not Barclays' ATMs), giving them access to 5,000 machines.

Elsewhere in Europe, machines are more thinly spread. Amex cardholders can use the 1,700 ATMs of the Sistema 4B network in Spain, 685 in France with Credit Lyonnais, 70 in Italy with Banco Postale di Milano, but only eight in West Germany.

The strong point about the Amex network is that its machines are always placed in strategic locations and the company works hard to ensure that they do not break down. American Express says that it charges only 1 per cent on cash advances from ATMs as these are drawn from bank current accounts on a direct debit. This compares favourably with the 1.5 per cent charged by many other card issuers.

Passing property on to sons

MY HUSBAND and I own two freehold properties - the house in which we live and a flat in Kent. Both are jointly owned and free of mortgage.

The present value of these two properties is about £225,000. At present, if either of us died, the properties would pass automatically to the surviving partner so that when that partner died, the properties would pass by will to our three sons, carrying a substantial liability to Inheritance Tax.

Would it be possible for us to extend the ownership of the properties by joining our sons' names on the deeds with ourselves, so that we still retain a measure of control but so the properties would automatically devolve to our sons after our deaths? Or is there any other way of achieving the same end? We could split the properties between us and each own one,

and each leave our property to our sons, but that would possibly leave the survivor with inadequate disposable capital and income on which to live. At present, we know that we could trust our sons to provide for us, but circumstances may change.

■ It is possible to do as you suggest, but a difficulty arises in terms of tax saving if you continue to live in one or both properties (because of the statutory rules as to a benefit reserved to the donor).

However, you could give one property away, or else make more complex arrangements which ensure that your right to occupy the property or properties is created outside the arrangements made on the occasion of the gift (eg by creating a prior lease). Any such arrangements need to be carefully structured; it would be wise to consult a solicitor.

Allowable allowances

THE Weekend FT's recent series of articles on independent taxation of couples mentioned that a husband will be able to transfer allowance to his wife, but did not appear to mention whether wives can transfer single allowance to the husband.

The Inland Revenue leaflet IR81 says that a wife can set her personal allowance against a NI pension she gets because of her husband's contributions; but surely my allowances are reduced at present because of my state pension, which seems the reverse of this.

■ No, a wife's basic personal allowance cannot be transferred to her husband; neither can a husband's basic personal allowance be transferred to his wife.

All that is transferable is the married couple's allowance which a married man receives in addition to his basic personal allowance (from 1990-91). Your social security pension does not reduce your allowances: part of your personal

CGT on a rented house

IF I WAS to rent out my house - which has been my residence for the past 15 years or so - will I have to pay tax on the sale of the house should I decide to sell it later?

■ Yes, Capital Gains Tax will be payable if you sell the house for more than its value at the date of the commencement of the letting.

Transfer of shares

I WISH to follow the advice in your articles on independent taxation for married couples and transfer sufficient investment income to my wife as will enable her to utilise to the full her new allowance (which will include normal age allowance), and to take advantage of this gains tax allowance.

How can I transfer shares without going through a broker (whose quoted charge is £10.50 per transfer)? Is it enough to send a share certificate to the registrar with a written request to transfer a part or the whole to my wife? Or would I have to complete stock transfer forms, and is a contract stamp necessary?

■ Share transfer forms are obtainable from business stations. Make sure that the stamp duty exemption certificate on the back of each form is correctly completed, before the forms and share certificates are sent to the registrars.

Poll tax bill on flats

I OWN a leasehold flat in the joint names of myself and my wife. We both live at this flat. My wife also owns a flat, which is unoccupied, in the same building. What poll tax will be payable on these?

■ You will be liable to the community charge in the flat where you live and to the standard charge on the other flat. If you lived one in each flat the bill would be roughly halved.

ONE OF the big dangers with foreign currency mortgages is the serious risk that sterling will depreciate in value thus increasing the amount that has to be paid back, possibly far in excess of the savings made from paying lower interest rates.

The Citadel mortgage scheme seeks to avoid the exchange rate risk in an unusual way. Under the scheme, the loan and the repayment vehicle are both denominated in the same currency (Japanese yen). So in theory any growth in the size of the loan will be matched by an increase in the value of the fund built up to repay the mortgage.

An additional feature is that the borrower is lent, as an addition to the mortgage, the extra amount needed for investment in the repayment fund. For example, if you want a mortgage of £100,000 (the minimum under the scheme) you could borrow an additional £15,000 to invest in the matching yen fund. After 25 years this £15,000

should have grown sufficiently to repay the £100,000, whatever happens to the value of yen against sterling.

In fact, to ensure that the fund does keep up, the scheme provides for the borrower to pay an additional 0.6 per cent each quarter using up some of the substantial savings made from paying much lower interest rates on a Yen mortgage.

The scheme has been devised by a Leeds-based intermediary, M & B Financial Management, in conjunction with Royal Trust Bank, specialists in foreign currency loans. Not surprisingly the yen-denominated repayment vehicle chosen is the Japanese Trust Assurances SICAV, an "umbrella" fund established in Luxembourg that qualifies as an Undertaking for Collective Investments in Transferable Securities. Unfortunately, although

Yen for a new mortgage

there are substantial initial savings from the lower mortgage rate, it still could prove rather costly in the long run. For a start you borrow extra money to invest in the premium, thus increasing your interest payments. You also have to take out a mortgage protection policy providing cover for 120 per cent of the sterling value of your property.

More fundamentally there is no protection against the level of your interest repayments being increased by a fall in sterling, and your house remains a sterling asset whatever may happen to the loan and the fund. If you move or decide to sell at the wrong time you could therefore face a serious shortfall.

■ Another approach to the exchange risk problem of foreign currency mortgages is offered by Daniels Finance.

John Edwards

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| Asset distribution - USA | 86% | 78% | |
| - UK | 14% | 22% | |

*66 In terms of net asset value total return, American Trust plc, which is managed by Edinburgh Fund Managers plc, was the TOP performing investment trust in the North American sector for the year to 31 July 1989.

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MINDING YOUR OWN BUSINESS

Dealing with life's failures

Roy Hodson meets one of Britain's leading receivers



"SOME PEOPLE don't want to be seen having lunch with me," reflects Allan Griffiths, ruefully. He is the head of insolvency for chartered accountants Grant Thornton...

Table titled 'The ones that failed' showing insolvency statistics from 1989 to 1979.

The pattern of the last ten years with estimates for this year. After a fall in liquidations and receiverships in the last three years...

Table titled 'Who handled the receiverships in 1988' listing firms like PwC, Grant Thornton, etc.

organizational structures. Lack of management style. As the business climate gets colder the company finds it lacks a complete team to adapt to the changed situation...

The value of public relations

How small businesses can promote themselves



TIME SPENT out of the office attending courses, seminars, conferences, and exhibitions, is usually seen by salaried people as a pleasant interlude...

Sylvia Holder and Lindsay Swan of Holder Swan PR highways and byways of business at their offices in Chalk Farm, north London...

IN BRIEF

THE SQUEEZE on profits is resulting in a lot of red ink in small business ledgers. Those afflicted by an unwholesome combination of rising sales and a concurrent cash shortage...

AS SMALL businesses grow they frequently find that their in-house management teams lack some of the skills which are required in a larger business...

Advertisement for 'BUSINESSES FOR SALE' and 'BUSINESS SOFTWARE' with various offers and contact information.

Advertisement for 'HOW YOU CAN SHARE IN THE PERFORMANCE OF OUR INVESTMENT TRUSTS' featuring Martin Currie.

Advertisement for 'LE CROISSANT SHOP' and 'BUSINESS OPPORTUNITIES'.



There's only one word
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Starting in 1992, all new cars sold in EC countries will have to emit 70% less poisonous exhaust gases. By law.

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Another old bores' tale claims a clean car costs more to run. Again, not when it's an Audi.

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PROPERTY

Waking up from a bad dream in Tuscany

Paula Davies with a salutary tale about the trials and tribulations of buying an Italian farmhouse

BUYING A property abroad seems to have become a national hobby. Before you take the plunge, perhaps you should listen to a cautionary tale - ours. We love our Tuscan farmhouse but buying it was not the sort of soothing experience that estate agents like to talk about.

scoured the market thoroughly, which back in 1985 was hardly difficult. We could find only one English agent, Brian French. An eccentric character, but he was helpful and (more importantly) honest.

wouldn't. And there was her son who couldn't but would insist on trying. Our second mistake came over the matter of a lawyer. The usual practice when buying is to sign a *comproso*, a legally binding promise to buy, pay a deposit of between 10 per cent and 30 per cent and complete the sale within a stipulated period.



The farmhouse that Paula Davies bought in Tuscany

ity boards, problems with an exploding telephone and even a requirement from the forestry commission to build what Number Four daughter described as a mud-coloured swimming pool.

given the run-around, we insisted on this and it turned out to be a major horror. It took close on two years to obtain as papers floated backwards and forwards between Siena and Rome.

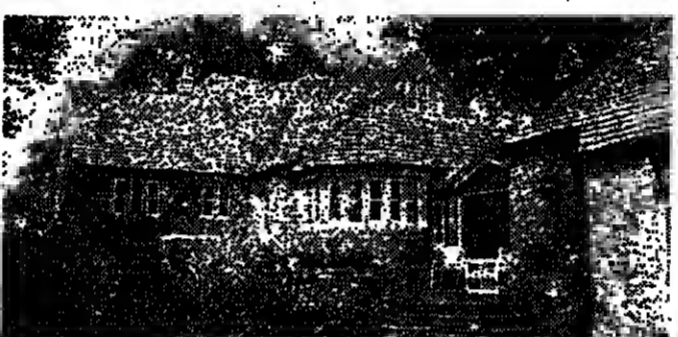
only learned on that final evening. But we decided to take the charitable view that both sides had misunderstood the other. Negotiations dragged on through the evening until a compromise was reached.

Rally. You can take out your own furniture without having to pay the Italian equivalent of VAT but removal costs are high. We were quoted £150 for one large sofa. We decided from the start to purchase valuable into the house. Stories about panthecons turning up and emptying holiday homes of everything are sadly true.

THERE ARE gentle stirrings beneath the surface of the Cotswold folds, where the traditional stone slates roofing industry is undergoing a quiet revival.

eastern fringes of the Cotswolds had been famous since the Middle Ages for the quality of its stone - or rather the shallow layers just below the surface, which produced easily-split blocks that made wonderful roofing.

A geological goldmine reborn Clive Fewins looks at the revival in the stone slate industry



A new slate roof on a Cotswold house

nowadays discourages extraction of the stone; there is a decline, the three small Cotswold quarries now producing 'real stone' roofing have full order books.

market for artificial stone slates has shown something of a decline, the three small Cotswold quarries now producing 'real stone' roofing have full order books.

preservation has ousted demolition as the Cotswold conservationists gather strength. In addition to this, while there has been a relative decline in building new estate homes and starter homes - the sort that would usually be roofed with reconstituted stone materials - the restoration sector is booming.

The 55,000 new Brockhill slates on the roof of Guiting Grange near Winchcombe exist just as surely as the far more visible 37,000 Filkins slates on the roof of the Master's Lodging at University College, Oxford.

Advertisement for Jones Lang Wootton Country, featuring properties in Oxfordshire and Herefordshire. Includes details on acreage, historical features, and contact information.

Advertisement for Strutt & Parker in Suffolk, featuring a property in Framlingham with 5 bedrooms and a swimming pool.

Advertisement for Mid Suffolk Stowmarket, featuring a Swedish chalet with 3 bedrooms and a double garage.

Advertisement for Suffolk Heritage Coast, featuring a property with a swimming pool and sea views.

Advertisement for Stratton & Holborow, featuring a property in South Devon with 3 bedrooms and a garage.

Advertisement for GLEN ANDREW LUXURY APARTMENTS, featuring a property with 2 bedrooms and a swimming pool.

Advertisement for Strutt & Parker in Lincolnshire, featuring properties in Swayfield and Scrembly.

Advertisement for Hart & Co. MIAVI, featuring a superb period style residence in Dunraven, Co. Waterford.

Advertisement for Bernard Thorpe, featuring a rollover opportunity in agriculture with 112 acres.

Advertisement for Willenhall Homes, featuring a property in Lambden Thorne with 3 bedrooms.

Advertisement for Langley-Taylor, featuring a five-bedroom property in Cupar.

Advertisement for St Mary's Platt, featuring a property with 2 bedrooms and a swimming pool.

Advertisement for Aldeburgh Suffolk Coast, featuring a property with 3 bedrooms and a swimming pool.

Advertisement for LYME REGIS 'DORMER', featuring a property with 3 bedrooms and a swimming pool.

Advertisement for Hampshire Fincheadean, featuring a property with 3 bedrooms and a swimming pool.

Advertisement for GORING-ON-HELDON, featuring a property with 3 bedrooms and a swimming pool.

Advertisement for GORING-ON-HELDON, featuring a property with 3 bedrooms and a swimming pool.

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Mature gardens & grounds, walled garden and woodland.
About 5 acres.
London Office: Tel. 01-629 7282. Lewes Office: Tel. (0273) 475411. Ref. 6AC4405.



KENT - Sellidge. Ashford 6 miles (Charing Cross 61 minutes). An attractive period country house set in its own grounds with a stream and several paddocks.
3 reception rooms, kitchen, 5 bedrooms, 2 bathrooms, millroom/study with original milling stone, boarded attic suitable for conversion. Coachhouse including garage and workshops on two storeys. About 10 acres. Region £295,000. Canterbury Office: Tel. (0227) 451123. Ref. 8882969.



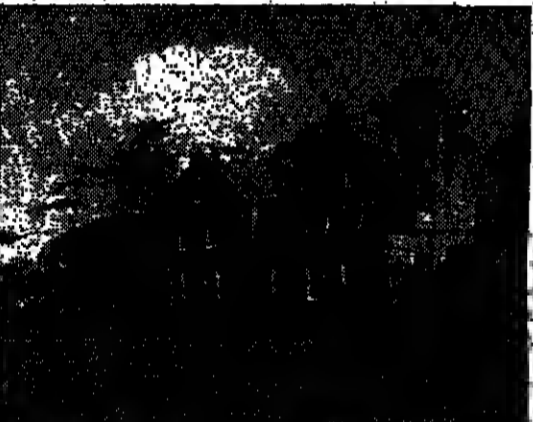
DEVON Exeter 26 miles, Taunton 30 miles.
An imposing and substantial former vicarage, recently renovated, surrounded by some of the most attractive countryside in the area. Hall, 5 reception rooms, 9 bedrooms, 4 en suite bathrooms, 3 en suite shower rooms. Coach house. Gardens & grounds, garaging. About 1 acre.
Region £350,000. Taunton Office: Tel. (0823) 277261. Ref. 15A8248.



SOMERSET Ilminster 2 miles, Mainline station (Waterloo) 7 miles. A most impressive Grade II listed Regency house in a magnificent setting. 4 reception rooms, kitchen/breakfast room, office suite, library, study, 5 bedrooms, all with en suite bathrooms, 2 1/2 bathrooms. Formal garden. Orchard & paddock. About 6 acres.
Region £575,000. Taunton Office: Tel. (0823) 277261. Ref. 15A8308.



SOMERSET Taunton & mainline station (Paddington 2 hours) 6 miles. An imposing recently renovated Georgian former rectory set high on the Blackdown Hills. 3 reception rooms, study, 6 bedrooms, 3 bathrooms. Stabling, stable, garden, paddocks & landscaped woodland.
About 15 acres. Region £450,000. Taunton Office: Tel. (0823) 277261 & Exeter Office: Tel. (0392) 215631. Ref. 15B8302.



RUTLAND Market Overton, Oakham 6 miles.
A magnificent Grade II listed early Georgian village house. 3 reception rooms, breakfast & games rooms, master bedroom suite, 5 further bedrooms, 2 bathrooms, 5 utility rooms. Coach house, stabling. Walled gardens. About 1.67 acres. Region £800,000. Also available 2 cottages & paddock. Grantham Office: Tel. (0476) 65886. Ref. 15A8307.



SUSSEX Bodiam, Robertsbridge 4 miles.
An outstanding residential arable & stock farm with an 18th century listed farmhouse. 4 reception rooms, 8 bedrooms, 4 bathrooms. Secondary house, pair of semi-detached cottages. Oast house & stables. Farm buildings, stables & manège. Block of farmland, woodland & river frontage. About 323 acres. For sale whole or in 3 lots.
Lewes Office: Tel. (0273) 475411. Ref. 6A84343.



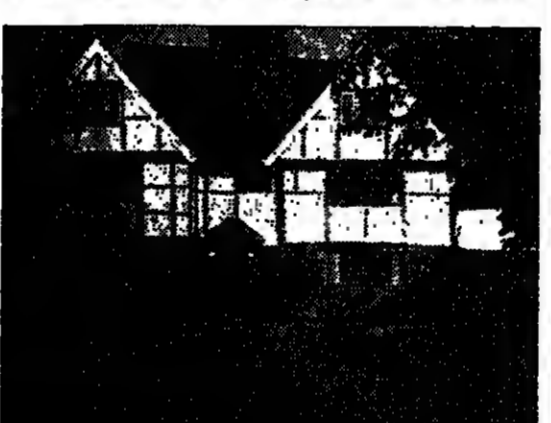
DEVON South Hams. Noss Mayo 1/2 mile, Plymouth 10 miles. A former ferryman's cottage in a magnificent position with spectacular views over the River Yealm. 2 reception rooms, 2 bedrooms, bathroom, garden. Mooring (subject to availability). For sale by Auction (unless sold previously) on Thursday 26th October 1989. Exeter Office: Tel. (0392) 215631. Ref. 13AA781.



CORNWALL Tintagel 6 miles. A superb range of 6 fully equipped holiday cottages, 4 cedar lodges and 3 log cabins. A charming Grade II farmhouse with 2 reception rooms, 3 bedrooms, 2 bathrooms. Planning permission for 13 further log cabins. Residents bar, shop, outbuildings. Attractive courtyard garden. Water meadow, paddocks, stream. About 15 acres.
Excess £650,000. Exeter Office: Tel. (0392) 215631. Ref. 13AA755.

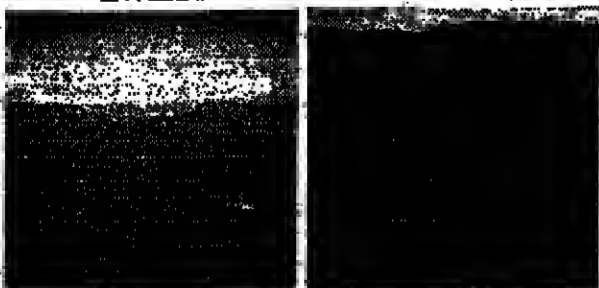


BERKSHIRE Bray Village Maidenhead 1 1/4 miles (Waterloo 30 minutes). Delightful village house dating from XVII century in secluded garden setting.
3 reception rooms, 2 bedrooms, 2 bathrooms (en suite). Guest cottage, staff cottage, double garage. Secluded, well stocked and timbered garden. About 1 1/2 acres.
Region £800,000. London Office: Tel. 01-629 7282. Ref. 1AG11516.



KENT Bough Beech, Edenbridge 4 miles. A charming Grade II listed 16th century former hall house with views across wooded farmland. Hall, 2 recep., study, garden room, kitchen/breakfast room, master bedroom/bathroom suite, 5 further bedrooms, bathroom & shower room. Oast house cottage. Traditional buildings & timber framed barn. Swimming pool. Gardens & paddock. About 2 3/4 acres.
Region £550,000. London Office: Tel. 01-629 7282. Ref. 1AG11506.

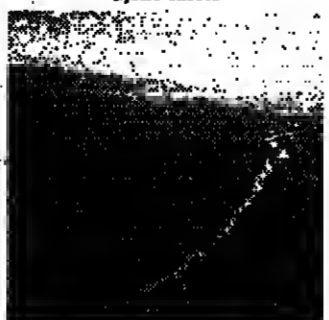
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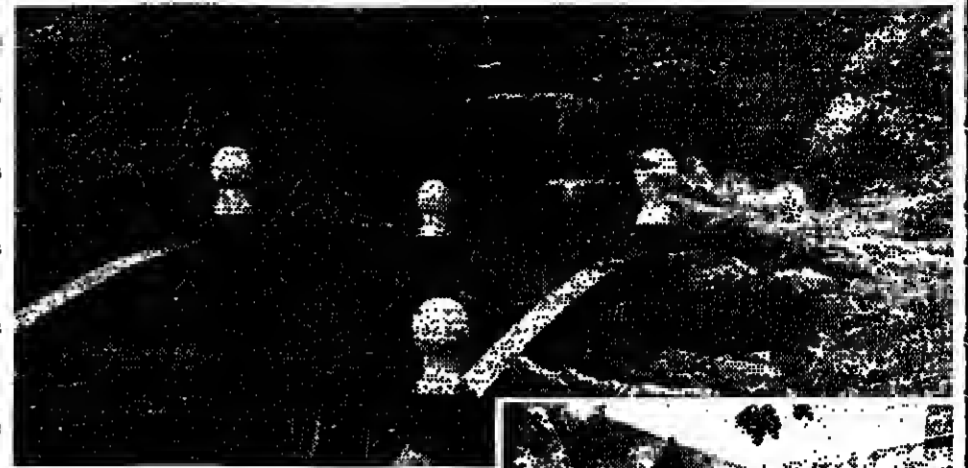


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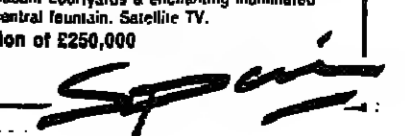
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PROPERTY

Suffolk . . . land of eastern promise

Michael Hanson looks at an area - just an hour from London - where £1m still buys plenty

PROPERTY prices may have stopped rising in Suffolk, but they still seem cheap compared with London and south east England.

What will £1m buy in Suffolk? Almost any house in the county, other than stately homes such as Ickworth or the grander racing properties at Newmarket. But for only £300,000 one can buy a Grade II house that was once part of the Ickworth estate or a licensed training establishment just outside Newmarket; £150,000 will buy a thatched country cottage almost anywhere in the county.

No wonder Michael Green, of the Ipswich office of Savills, describes East Anglia as the "land of eastern promise."

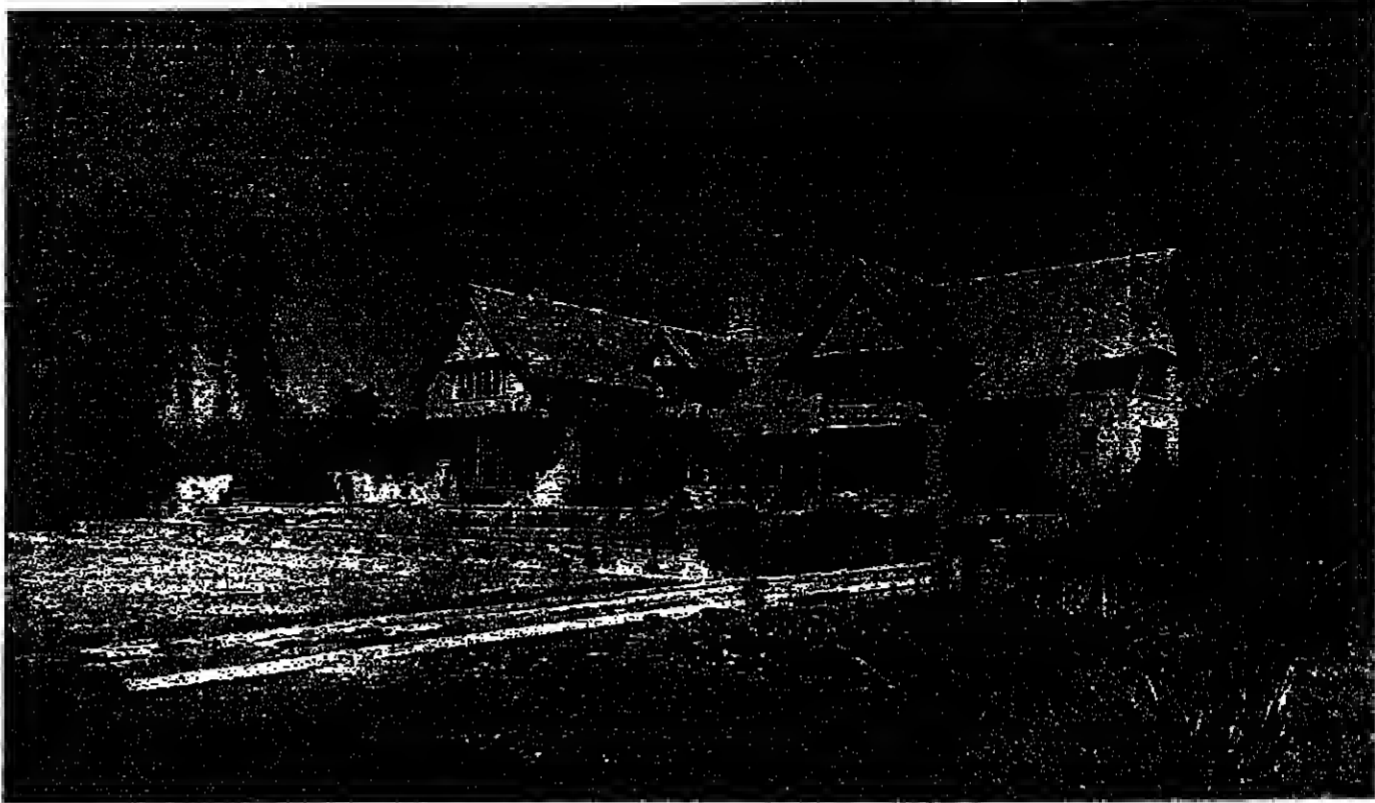
Now that British Rail has electrified the line from London's Liverpool Street station to Norwich, Ipswich can be reached in 65 minutes, which has persuaded many City workers to emigrate from Fulham to Framlingham or Farnham, where properties are half the price.

Last year, Knight Frank and Rutley set a new high for a country house in Suffolk when they achieved just over £1m for Sternfield House, near Saxmundham. This Grade II Queen Anne, former rectory was altered and extended extensively in the 1950s by Raymond Erith for Sir Eric Penn, Comptroller of the Lord Chamberlain's office.

Sternfield is where Strutt and Parker's Ipswich office (tel: 0473-214841) is now inviting offers of £225,000 for Brook Farm, a Grade II listed 18th century house with heated swimming pool and six acres of gardens and paddocks.

This year, Knight Frank and Rutley have again been through the fire mark with the sale of Wingfield Castle, a Grade I medieval, moated castle and Tudor manor house on the Norfolk border, near Diss.

In Newmarket, Warren Towers has been sold by Bidwells and Januaries to a Middle Eastern buyer with racing interests. This 14-bedroom house in four acres next to Henry Cecil's stables was built about 1880 for Sir Daniel Cooper, one of Newmarket's greatest benefactors, who died in 1909. Warren Towers was sold for "around £1m," says Jock Lloyd-Jones, of Bidwells, who,



Spexhall Manor, former home of the recluse Ralph Calvert, is on the market at £1.1m. It has potential for restoration

against the experience of other agents, claim to be having their best year ever.

To demonstrate the continued strength of the top end of the market, Overway House, a seven-bedroom, late-Victorian house in four acres at Nowton, near Bury St Edmunds, has just been sold for £425,000.

The buyer was able to pay cash, having just sold his previous house, Balsam Manor, for over £750,000. "Agents have to judge very carefully whether to take the cash bidder or someone who makes a lot of noise about being willing to pay more but who still has his own house to sell," agent Jock Lloyd-Jones says.

Jonathan Penn, of Strutt and Parker's Ipswich office, says: "There is no problem in finding buyers; the problem is finding people who are able to proceed." "Even those with bridging finance will not proceed until their own sale is fairly certain. If people want to move they must be more realistic because prices are no longer rising."

In the case of Overway House, Bidwells was joint agent with Jones Lang Wootton, whose Newmarket office (tel: 0688-651122) is inviting offers of £280,000 for Chestburgh Hall, the Grade II listed 17th century farmhouse near Bury St Edmunds that was once part of the Ickworth estate. This has a large lake in its five acres of gardens and grounds.

Jones Lang Wootton is also inviting offers of £300,000 for Priory House Stables, a licensed training establishment at Exning, near Newmarket, which has a four-bedroom house, 23 loose boxes and a paddock.

Prudential Property Services in London (tel: 01-493 6926) is seeking £225,000 Vinton House, a five-bedroom house with an acre of garden, overlooking the village green at Hartest, near Bury St Edmunds. Michael Green, of Savills's Ipswich office (tel: 0473-226191), has three houses he expects to fetch more than £1m.

Jointly with Hockley and Co (tel: 0473-230622), he is asking £1.2m for Erwarton Hall, a wonderful Grade II, Elizabethan manor house on the Stour estuary, eight miles from Ipswich. At the head of its four acres of gardens is a remarkable Tudor gatehouse with nine brick chimneys.

From 1906 until 1976, Erwarton Hall was leased from the Berners' estate by the Admiralty as the home of commandants of HMS Ganges, the Royal Navy's shore training establishment at Shorley Gate (where a 350-berth marina was constructed in 1967 and the former schoolhouse known to generations of cadets was converted into 40 flats for sale by Woolwich Homes and Pottton Developments).

When HMS Ganges closed in 1976, Erwarton Hall was sold. It is now owned by Oliver Nizmenko, a property developer, who bought it for under £1m less than a year ago. Since then he has completed its refurbishment, including the construction of a swimming pool and gymnasium complex,

which is separated from the main house by a conservatory.

Offers of £1m are being sought by Savills for Dalrymple House, a former rectory next to the early-Norman parish church of St Mary in the village. For the past nine years, this Grade II listed house has been restored and modernised by John Hart and his wife, Freya, the daughter of cartoonist Roy Liffitt and, under her professional name of Freya Miller, manager of pop singer Shakira Stevens (this is why many of her walls are hung with gold and platinum discs).

Dallinghoo House has 20 acres of gardens and grounds, including a new stable block, indoor swimming pool, hard tennis court, a schooling ring and railed paddocks.

Savills is seeking £1.1m for Spexhall Manor, near Halesworth, which was owned until his death a year ago by Ralph Calvert, a 94-year-old recluse who inherited the house from his mother, Susan Calvert,

elder sister of the 6th Baron Sherborne. Her husband, Edmund, who died in 1930, moved from Manchester, where his family had made its money from Calvert's Carbolite Tooth Powder.

Ralph Calvert was a prolific amateur photographer. In his collection were some photographs of the actress Phyllis Calvert, but I have been unable to trace the family connection, since her maiden name was Bickle and she married Peter Murray Hill.

Spexhall Manor has tremendous potential for anyone willing to tackle its restoration, for this Grade II listed house is moated on two sides and dates from the 16th century, although it owes its external appearance to substantial alterations carried out in 1800. It is for sale with 60 acres of land, four cottages, stables and extensive outbuildings.

A few fields away is Mahn House, a six-bedroom farmhouse with a barn, a granary and loose boxes in its grounds of 1.5 acres. It is for sale through Strutt and Parker's Ipswich office for £225,000.

There are properties on the market in Suffolk for more than a £1m. These include the 147-acre Abbey estate at Campton Ash, for which John D. Wood (tel: 01-493 4106) is asking more than £1.5m; the 670-acre Elmsett Hall estate and the 465-acre Pannington Hall estate, both near Ipswich, for which Strutt and Parker has guide prices of £1.5m; and the 522-acre Chadwell estate near Bury St Edmunds, for which Savills is asking more than £3m.

At the other extreme, there are thatched cottages such as the Grade II Hiltcham House, near Framlingham - Strutt and Parker is asking £139,500, or Huntsmans Cottage, near Nacton, for which the same agent wants £150,000.

Conversions include Cross Maltings, at Hadleigh, which was made into six houses four years ago by local developers Dow Brandston. The managing director, Chris Dow, lives in one of these, the Oast House, which he is now selling through Ian Bruce, of New Malden (tel: 01-9423781) for £198,000.

These Victorian maltings adjoin Hadleigh's conservation area.

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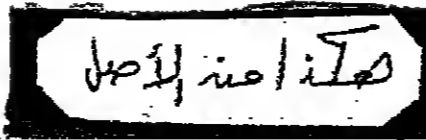
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|  <p>AVON - Norton Malward Bristol 6 miles (Paddington 80 minutes), Bath 12 miles, M4 (junction 18) 15 miles. Substantial classical Georgian manor house, surrounded by landscaped gardens with beautiful views to the south over its own lake. Entrance hall, drawing room, dining room, study, breakfast room, utility room, cloakroom, master bedroom with en suite dressing room and bathroom, guest bedrooms, 3 further bedrooms, 2 family bedrooms. Indoor swimming pool, staff flat, gymnasium, beach house with 2 first floor flats. Beautiful landscaped gardens including lake and walled kitchen garden. About 5.7 acres. Region of £1,200,000. Savills, Bath. Tel: (0225) 444622. Contact: Harry Downes.</p> |  <p>SUFFOLK - Woodbridge Woodbridge 6 miles, Aldeburgh 14 miles, Ipswich 12 miles (Liverpool Street Station 65 minutes). Substantial Grade II former old rectory with superb accommodation set in mature formal gardens and grounds. 5 bedrooms with en suite bathrooms, 1 bedroom with en suite shower room, sitting room, drawing room, dining room, study, principal kitchen/breakfast room, nursery, laundry room, secondary kitchen, flower room, 2 cloakrooms. Oil fired central heating, cellar, separate Au Pair flat, office and games wing incorporating full steel smoker room. Two bedroomed cottage, newly built stable block with 7 loose boxes and groom's flat above, outbuildings, further outbuildings, indoor swimming pool complex, hard tennis court, post and rail fenced paddocks including schooling ring. Lake, formal gardens. In all about 20 acres. Offers in the region of £1 million. Savills, Ipswich. Tel: (0473) 226191. Contact: Michael Green.</p> |  <p>SUFFOLK - Halesworth Halesworth 3 miles, Ipswich 28 miles (Liverpool Street Station 65 minutes), Norwich 28 miles. Magnificent small country estate set in a totally secluded rural position. Superb walled Listed manor house. Panellied reception hall, drawing room, dining room, library, billiard room, study, sitting room, domestic quarters. 13 bedrooms, 3 bathrooms. Stables, garaging, further outbuildings. Formal walled gardens, walled garden, parkland. 4 cottages. About 61 acres. For sale in 4 lots. Offers invited. Savills, Ipswich. Tel: (0473) 226191. Contact: Mark Oliver.</p> |  <p>SUFFOLK - Shotley Peninsular A12 6 miles, Ipswich 8 miles, Colchester 17 miles. An impressive Grade II* listed Elizabethan manor house in immaculate condition with exquisite gatehouse surrounded by formal gardens with views over the Smeur Estuary. Entrance hall, cloakroom, Elizabethan manor hall with minstrels gallery, sitting room, dining room, kitchen, scullery, laundry room, 2 principal bedroom suites, 2 further bedrooms, 1 bathroom. Staff/second floor accommodation comprising: 2 bedrooms, sitting room, kitchen and bathroom. Gas fired central heating, superb swimming pool complex, hard tennis court. Separate immaculate cottage comprising: Bedroom, bathroom, kitchen and sitting room. Sunning gardens and grounds. In all about 3 acres. Offers in region of £1.2 million. Joint agents: Hockley & Co. Tel: (0473) 230622. Savills, Ipswich. Tel: (0473) 226191. Contact: Michael Green.</p> |
|  <p>SUFFOLK - About 522 ACRES Bury St. Edmunds Newmarket 15 miles, Cambridge 23 miles, London 99 miles. Unique country estate ideally suited for hotel/golf course development and other leisure opportunities, subject to planning. Magnificent Grade II listed mansion in beautiful parkland. 3 excellent houses, 5 cottages. Range of residential buildings with development potential. Productive mixed farm with substantial milk quota. Sporting woodlands and ornamental lake. For sale as a whole or in lots. Savills, Ipswich. Tel: (0473) 226191. Savills, Norwich. Tel: (0603) 612211. Savills, London. Tel: 01-499 8644. Contact: Justin Mackenzie or Charlie Yates.</p> |  <p>ESSEX - South Weald M25 and A.12 Access 1 mile, Brentwood 2 miles (Liverpool Street Station 38 minutes). Magnificent and splendidly remodelled former old vicarage, renovated and modernised to the highest standards standing in immaculate landscaped grounds. Magnificent dining hall, drawing room, sitting room, conservatory, 6 bedrooms, 2 bathrooms, 2 shower rooms. Indoor swimming pool, traditional stable block, cottage and groom's flat, outbuildings, lakes, lakeside games room, helicopter hangar and pad, paddocks, woodland, landscaped gardens and grounds. About 38 acres. Savills, Chelmsford. Tel: (0245) 269311. Contact: John Gibson.</p> |  <p>KENT - Near Sevenoaks Sevenoaks 7 miles (Charing Cross/Cannon Street 28/30 minutes), M20 3 miles, Central London 22 miles. Fine Grade II* sixteenth century manor house set in exquisite gardens in need of sensitive modernisation. 4 reception rooms, library, billiard room, conservatory. 8 bedrooms, 3 bathrooms, garaging, stabling. Attractive gardens, paddock. About 10 acres. Excess of £500,000. Savills, Sevenoaks. Tel: (0732) 455551. Contact: Richard Page or David Slack.</p> |  <p>HERTFORDSHIRE - Much Hadham A10 5 miles, Bishop's Stortford 5 miles, Ware 6 miles, M25 15 miles, M11 7 miles, Stansted Airport 7 miles, Central London 29 miles. Spacious family house adjoining open parkland situated in this popular village. Reception hall, drawing room, library, dining room, kitchen, utility room, cellar. 6 bedrooms, 3 bathrooms and 2 second floor rooms. Indoor swimming pool, hard tennis court, triple garage. Gardens and grounds. In all about 1 1/4 acres. Savills, London. Tel: 01-499 8644. Contact: Henry Pryor.</p> |
|  <p>SOMERSET - Langford Budville Wellington 3 miles, Taunton 10 miles, M5 4 miles. Fine seventeenth century Grade II listed country house set within superb grounds. 4 reception rooms, reception and main hall, 10 bedrooms, 3 bathrooms. 4 bedroomed annex. Former chapel and cottage for renovation. Gardens and grounds extending to about 7 acres. Joint agents: Gribble Booth & Bayly, Tiverton. Tel: (0884) 256041. Savills, Salisbury. Tel: (0722) 20422. Savills, Exeter. Tel: (0392) 411023.</p> |  <p>SOUTH DORSET - 276 ACRES Chideock Bridport 4 miles, Lyme Regis 6 miles. Residential stock farm with superb views on the South Dorset coast. Fine period stone 6 bedroomed farmhouse. Stone barn with consent for 3 holiday units. Attractive pair of farm cottages. Extensive range of covered space for livestock housing. South facing land with views in the sea, amenity lakes and woodland. For sale as a whole or in 3 lots. Savills, Wimborne. Tel: (0202) 887331. Contact: Nick Sweeney. Savills, Salisbury. Tel: (0722) 20422. Contact: Nigel Forrer.</p> |  <p>SCOTLAND - 746 ACRES Edinburgh Airport 48 miles, Newcastle Airport 74 miles. Outstanding rural development opportunity with potential for expansion in a totally unspoilt coastal location with direct access off the A1. Outline planning consent for 120 bed spaces and country pursuit centre. Established equestrian centre with indoor arena. 62,000 sq. ft. of existing buildings. Trout loch. Manor house (6 bedrooms) and 7 holiday cottages. Offers over £650,000. For sale as a whole by private treaty. Savills, Edinburgh. Tel: 031-226 6961.</p> |  <p>BANFFSHIRE - River Deveron Aberdeen Airport 41 miles. 1/4 mile double bank salmon fishings with a luxurious house set in exceptionally beautiful surroundings. House: Hall, 2 reception rooms, kitchen, 4 bedrooms, 3 bathrooms. Triple garage and rod room. Delightful gardens. 3 bedroom ghillie's cottage. 1/4 mile double bank salmon fishing. 8 named pools. Fishing hut. Average catch 164 salmon and 102 sea trout. About 26 acres. For sale as a whole with vacant possession. Savills, Edinburgh. Tel: 031-226 6961.</p> |
|  <p>WILTSHIRE/SOMERSET BORDER - About 156 ACRES Frome 3 miles, Bath 20 miles, Wiltshire 3 miles, Longleat 3 miles. An outstanding golf course development site adjacent to main trunk road in growth residential and tourist area. Outline consent available for 18 hole golf course, driving range and clubhouse. 2 residential dwellings and umbrella buildings. Garden nursery site. Savills, Wimborne. Tel: (0202) 887331. Contact: Nick Sweeney. Savills, Bath. Tel: (0225) 444622. Contact: Mark Grimes.</p> |  <p>WEST SUSSEX - Near Horsham Horsham 3 miles (Victoria/London Bridge 50/55 minutes), A23/M23 3 miles, Oatwick 14 miles. Rare opportunity to purchase this luxurious modern home in an outstanding setting. 4 reception rooms, 5/6 bedrooms, dressing room, 2 bathrooms, garaging, indoor swimming pool complex. Exceptional landscaped grounds with views towards the South Downs. About 7 1/4 acres. Further land may be available. Offers in excess of £800,000. Savills, London. Tel: 01-499 8644. Contact: Paul Finnegan.</p> |  <p>WILTSHIRE - Kingston St Michael M4 (junction 17) 2 1/4 miles, Chippenham 3 miles (Paddington 65 minutes), Bath 15 miles, Bristol and Swindon 19 miles. Substantial nineteenth century rectory, set in well-stocked gardens with a tennis court and paddock. Entrance hall, 3 reception rooms, study, Smallbone kitchen, sewing room, utility room, 2 cloakrooms, 7 bedrooms, 2 bathrooms, large attic. Attractive garden, hard tennis court, paddocks, stables and barn, garage. In all about 5 acres. Offers in excess of £500,000. Savills, Bath. Tel: (0225) 444622. Contact: Harry Downes.</p> |  <p>NORFOLK - 160 ACRES Coltishall Norwich 7 miles. Outstanding hotel golf and leisure complex development site. A superb opportunity to create a hotel with conference, 18 hole golf course and country club facilities adjoining Britain's newest National Park. Outline planning permission. In England's fastest growing region. Large tourist and catchment area populations. Unspoilt, wooded countryside. Good communications. For a colour brochure with full details of this exciting development opportunity please contact: Savills, Banbury. Tel: (0295) 263525. Contact: Alan Plumb. Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.</p> |

01-499 8644 20 Grosvenor Hill, London W1X 0HQ

LONDON BANBURY BATH BOURNEMOUTH BRECHIN CAMBRIDGE CANTERBURY CHELMSFORD EDINBURGH EXETER GUILDFORD HENLEY HEREFORD IPSWICH LINCOLN NORWICH SALISBURY SEVENOAKS STAMFORD WIMBORNE YORK HONGKONG Associates FRANCE THE NETHERLANDS

COUNTRY PROPERTY

UK Offices

Ascot, Beaconsfield, Chipping Norton, Cirencester, Edinburgh, Glasgow, Guildford, Hereford, Hungerford, Leeds, Oxford, Sheffield, Sherborne, Shrewsbury, Stratford-upon-Avon, Tisbury, Wells.

Knight Frank & Rutley

Overseas Offices

Australia, Belgium, Botswana, France, Hong Kong, Japan, Malaysia, New Zealand, Nigeria, Singapore, Spain, United States Of America, Zimbabwe.



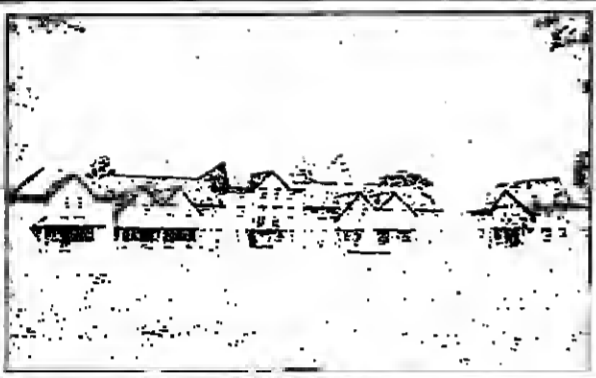
Staffordshire
Hanchurch, Stoke-on-Trent 5 miles, M6 1 mile.
Hanchurch Manor Hotel
A delightful Grade II listed 19th century luxury country house hotel
12 individually styled letting bedrooms each with private facilities. Restaurant, 3 function/meeting rooms, Fishing lake. Planning permission for 6 further letting bedrooms and a private dwelling.
About 9 acres
Offers in the region of £1,250,000 for the freehold and contents.
Apply: London 01-629 8171 (AF18/100920)



Hertfordshire/Buckinghamshire
Chippendale, M25 5 miles, London 23 miles, Amersham 4 miles.
An elegant Regency house surrounded by beautiful grounds and parkland
5 reception rooms, cellars, 6 bedrooms, 4 bathrooms. Nursery wing with 3 bedrooms, bathroom and sitting room. Coach house with billiard room, Party room. Traditional stabling for 4. 3 bedroom staff cottage. Heated swimming pool. Hard tennis court. Impressive garden and paddocks.
About 27 acres
Apply: Beaconsfield (0494) 675368 or London 01-629 8171 (18/100921)



Perthshire
Perth 5 miles, Glasgow 70 miles, Edinburgh 45 miles.
An outstanding Georgian house protected by its own policies on the edge of a peaceful estate village
3 reception rooms, 7 bedrooms, 4 bathrooms, River lodge and cottage. Superbly maintained gardens. 20 acres paddock. Frontage to the River Atholl.
About 5 1/2 acres
As a whole or in 2 lots
Joint Agents: Bell-Ingram/Royal Life Estates, Perth (0728) 30022 Knight Frank & Rutley, Edinburgh 031-225 7106 (18/100922)



Berkshire
Wokingham.
Heathlands Court
An exciting development of sixteen 3 and 4 bedroom town houses in a parkland setting
2 remaining in first release. 2nd release prices from £187,000 freehold. Showhouse open weekdays 9.00am-5.00pm. Saturday and Sunday 11.00am-5.00pm. Planning permission for 6 further letting bedrooms and a private dwelling.
Apply: Ascot (0590) 24782 (18/100923)



Buckinghamshire
Marlow, London 25 miles, Oxford 30 miles, Henley on Thames 9 miles.
A substantial William and Mary house listed Grade II* standing in a pretty walled garden
3 reception rooms, 7 bedrooms, 2 bathrooms, shower room. Double garage. Beautiful landscaped garden. Garden.
About 3/4 acre
Apply: Beaconsfield (0494) 675368 (18/100924)



Gloucestershire
Chipping Campden, Stratford upon Avon 12 miles, Cheltenham 23 miles, Birmingham 30 miles.
An exceptional Cotswold town house described by Pevsner as the finest 18th century house in the high street
Now skillfully restored to form 2 exceptional Georgian town houses.
Best House - 3 reception rooms, 5 bedrooms, 3 bathrooms, lower ground floor accommodation, conservatory, garden, garage.
Woodward House - 3 reception rooms, 3 bedrooms, 2 bathrooms, conservatory, garden.
Apply: Stratford upon Avon (0789) 297735 (18/100925)

20 Hanover Square, London W1R 0AH Telex: 265384 Telephone: 01-629 8171

Humberts

On the instructions of THE CROWN ESTATE Drake's Island Plymouth Sound

An historically important landmark with development potential for a range of uses which could include:
Hotel with Marina and Conference Facilities. Residential Development with Marina/Lifeboat Facilities. Tourist Visitor Enterprises/National Heritage Centre. Private Residential Use with some Public Access. Institutional Use. Adventure Training Centre/Clubhouse.
For Sale on a new long lease - Offers invited
Further details from: Humberts National Leisure Division, 25 Grosvenor Street, London W1X 9FE Tel: 01-629 8700.

Sussex South Chichester
Lewes 5 miles, Haywards Heath 8 miles, Brighton 13 miles.
An historic 16th Century Manor House with superb gardens and views to the South Downs.
Hall, 9 reception rooms, 12 bedrooms, 4 bathrooms, kitchen/breakfast room, utility room. Oil fired central heating. Attractive gardens and grounds including 2 walled gardens, a water garden, swimming pool. Woodland and paddocks.
In all about 13 1/2 acres. Region of £325,000.
Details: Lewes Office, Tel: (0273) 478828 (18/100926)

By Direction of Anthony Irving Esq
West Sussex Bramber
Baying 13 1/2 miles, Henfield 5 miles, Worthing 7 miles.
An outstanding site in a delightful downland village, at present a celebrated museum and catering establishment, but with planning permission for extensive re-development to provide 3 detached houses, 1 with annex.
Period Village House: 3 reception rooms, 3 bedrooms, bathroom, 2 attic rooms.
Cubeshed House: Restaurant 1,205 sq ft, with kitchen stores and WC's. Plot: For two secluded detached houses providing 2 reception rooms, 3 bedrooms, 2 bathrooms, dressing room, garage.
House of Pipes Mill: At present consent for a museum building of 3,200 sq ft, and 200 sq ft of 19th c. extension for museum to be converted into 60-80 holiday lets (reception room, 2 bedrooms and bathroom).
In all about 0.4 acre. Freehold for Sale by Tender as a Whole.
Closing Date for Tender Friday 3rd November, 1989 at 12 Noon.
Details: Lewes Office, Tel: (0273) 478828 (18/100927)

WESTBURY FARM
An exciting rural development of a listed 16th century farmhouse and adjacent barns in the historic village of Ashwell.
Now available - Westbury Farm House. An elegant and beautifully designed 5 bedroom luxury home, 3 bathrooms, walled garden.
Westbury Barns - 4 luxury 2 & 3 bedroom homes set within private courtyard, adjacent to historic Farmhouse.
This unique edge of village development is bordered by the original moat and enjoys farmland views.
London 40 miles or 45 mins by train to Kings Cross. Local station 5 mins. Regular services.
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Colour brochure available
SAVILLS
St. Mary's House, 47 High Street, Trumpington, Cambridge, Cambridgeshire CB2 2JZ Tel: (0223) 844371

CLUTTONS

SOMERSET/WILTSHIRE BORDERS

Both 15 miles, Frome 2 miles, Warminster 6 miles.



A small Residential Estate in a beautiful setting.
A delightful 17th Century Listed manor house with great hall, library, dining room, 6 bedrooms, 3 bathrooms. Modern 3 bedroomed cottage. Stable yard with 8 boxes. A range of modern farm buildings including covered yards and barns. An attractively landscaped trout lake and stream with about 95 Acres of pasture.
In all about 102 Acres. For Sale by Private Treaty with Vacant Possession as a Whole or in Lots.
Marple's Wharf, 210 Lower Bristol Road, Bath. Tel: (0225) 447575. 127 Mount Street, London W1Y 5HA. Tel: 01-499 4155.

MALVERN, WORCESTERSHIRE

Worcester 7 miles, Birmingham 35 miles, M5 9 miles



A fine complex of Listed buildings, presently a convent, well located in the edge of a town with good communications and having considerable potential for Developers and Institutional Purchasers.
4 buildings with chapel and cloisters presently arranged as 5 sitting rooms, dining hall, 26 offices, 82 bedrooms, laundry and storage. Gardens and grounds of 13 Acres.
Adjoining self-contained building with 3 reception rooms, study, kitchen, servery and storage, fitted, 16 bedrooms and 4 bathrooms. Gardens of 0.65 Acres.
Two parcels of adjoining amenity land.
In all about 3 Acres. Freehold for Sale as a Whole or in 4 Lots.
Joint Agents:
Cluttons, Haywards Heath Office. Tel: (0444) 441166 and London Office. Tel: 01-499 4155 and Whitte, Yates & Riddle, Malvern. Tel: (0684) 573232.

BERWICKSHIRE

Between Duns and Kelso Edinburgh 43 miles



A most productive Agricultural and Residential Estate in the Merse of Berwickshire.
Attractive 5 bedroomed 18th Century house. 2 pairs of modern cottages and stone cottage. 50,000 Sq ft of Modern Farm Buildings. 2 traditional Ranges of Buildings with historical Highly fertile arable land - 657 Acres. 850 Acres. For Sale as a Whole or in 5 Lots. 6 South Charlotte Street, Edinburgh. Tel: (031) 225 8602. 127 Mount Street, London W1Y 5HA. Tel: 01-499 4155.

KENT

Near Brighthelm



A fine late 14th Century farmhouse, Listed Grade II*, retaining its interesting and carefully restored period features.
In a pleasant rural setting adjoining farmland, hall, drawing room, sitting room, dining room, study, kitchen/breakfast room, cloakroom/shower room, utility, principal bedroom suite, 4 further bedrooms, dressing room, and 2nd bathroom. Conservatory. Garage and workshop. Large garden.
35a St. Margaret's Street, Canterbury, Kent. Tel: (0227) 457441.

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THE INVERCASSLEY ESTATE, LAIRG, SUTHERLAND 17,000 ACRES



An easily accessible 35 stag deer forest, with grouse shooting, trout fishing, woodland Sika stalking and a sheep farm with modern farm buildings.
INVERCASSLEY HOUSE AND POLICES
Three reception rooms, five bedrooms, three bathrooms, all modernised and renovated to a very high standard, also four cottages and substantial forestry investment.
45 Church St. Inverness
Tel (0463) 224343 Fax (0463) 243234

CARTER JONAS

LINCOLNSHIRE - 202 ACRES

Boston 8 miles, Sleaford 11 miles
BARBRIDGE FARM, SWINESHEAD
A superb arable silt farm.
5-bedroom period Farmhouse in need of improvement and adjacent coach house. Substantial produce store and implement buildings.
Highly productive Grade 1 & 2 land.
For sale by private treaty with vacant possession.
Joint Sole Agents
William H Brown Agricultural 0205 311622
London Office - Tel: 01-629 8171



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Superb Holiday Homes from only £22,950
New 2/3 bedroom Holiday Homes in grounds of Cornish Manor. Indoor pool and lots of facilities. Full management services. Self financing. CAPITAL GAINS TAX RELIEF
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WEST WALES DYFED

Attractive country house in 1 acre landscaped grounds. 4 double beds, C.H. fully modernised. Beautiful rural setting between Carmarthen and Cardigan coast.
£185,000
Velindre (0559) 370769.

A VERY ORIGINAL VIEW OF CITY-CENTRE LIVING.



It's not every day you see a view like this right in the heart of a bustling city. But then it's not every day a Penthouse like this comes up for sale.
It's six floors up, situated in a prime area of Glasgow's 1988 Garden Festival site, overlooking the river and future marina area.
It's within minutes of the centre of one of Britain's most up and coming cities. Not only that, you can be in beautiful open countryside within half an hour. And at £200,000 it represents a perfect investment opportunity.
Contact our sales centre on 041-429 3070.



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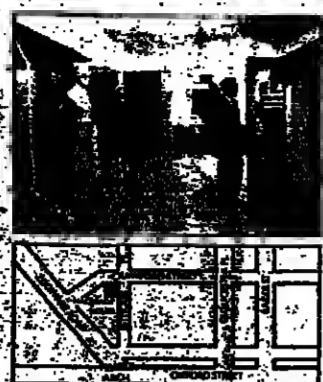
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LONDON PROPERTY

THE LONDON COLLECTION

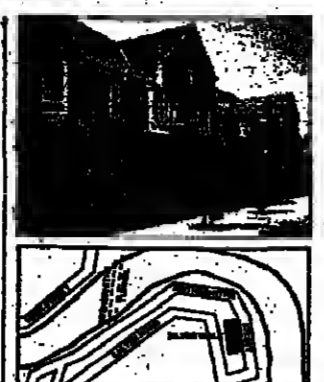
MACREADY HOUSE

Macready House is set in a charming village...



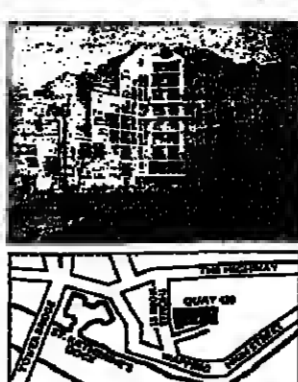
SILVER WALK

Rethink the ideal for family living...



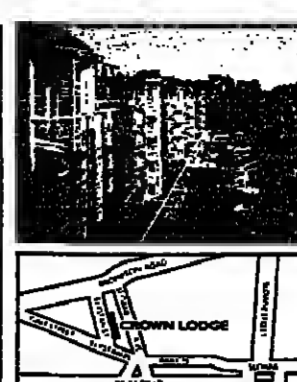
QUAY 430

In the heart of Wapping close to Tower Bridge...



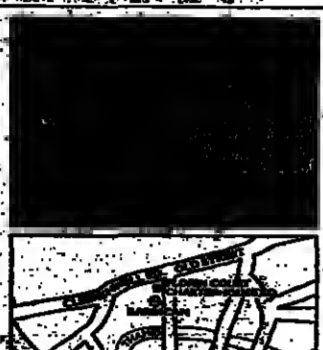
CROWN LODGE

Crown Lodge can be found at Brompton Cross...



FLOREN COURT

Located in Charterhouse Square on the edge of the City...



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Elegant building located in prime Westminster...



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Free Trade Wharf stands on the banks of the River Thames...



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SO THEBY'S INTERNATIONAL REALTY

PENTHOUSE DUPLEX BELGRAVIA, S.W.1

An outstanding beautifully presented property offering exceptional accommodation...

W.A. ELLIS



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Beautiful Showflats for sale!



from £165,000 Homeshare price from £140,250*

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BANFFSHIRE

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CHRISTCHURCH: DORSET

FIM ROLL-OVER RELIEF

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KENSINGTON

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LANCASTER GATE, W2

BRONDESBURY PARK, LONDON NW10



MORTGAGES

FAIRBANKS FINANCIAL MORTGAGES/REMORTGAGES

TRAVEL

I'VE never before had a year for going to Norway, this was it. A long peaceful ferry crossing instead of an airport scum; a cooling break from England's hottest summer for a hundred years...

It's true what they say about Norway

Christian Tyler longs for the smell and litter of England after spending two weeks in the wilderness

The Norwegians live in a true wilderness, one of the last in Europe. They are so few in number that they leave little impression on their majestic habitat...

We stayed in the province of Telemark at a purpose-built resort called Vrdal on the north side of Lake Nisser. The main (perhaps only) place of real cultural interest in the area is Rjukan where, during the Second World War, the "Heroes of Telemark" sabotaged the heavy water plant...

sadly like a town whose moment has passed. The museum reminded us of the ties of sentiment that link Norway and Britain, signalled perhaps in the great courtesy shown us by the people we managed to meet...

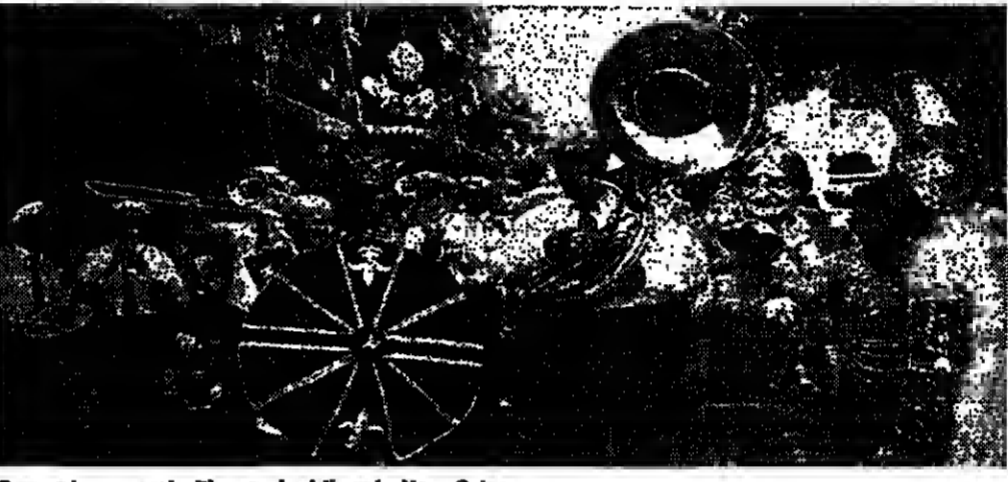
really only big enough for four - or six at the outside. The bathroom was so designed that you could not shower without creating a biblical inundation. The "spectacular" view from the cabin window was not of dappled lakes and misty mountains, but of the next row of cabins...

THE MOST revealing approach to New Orleans is by road. As you head south from the industrial wasteland of Baton Rouge you veer away from the Mississippi and climb on to a twin-track causeway that cuts directly across the Delta...

hot, but that brings out another of the city's characteristics, a narcotic indolence that Baudelaire could have been describing in Les Fleurs du Mal. Perhaps I am hooked for I would not hesitate to return...

A heady cultural brew

Peter Gillman goes way down yonder in New Orleans



Oompah, oompah: It's carnival time in New Orleans

Andrew Jackson, who defeated the pride of Britain's Peninsular Army, commanded by Wellington's brother-in-law, at the Battle of New Orleans in 1815...

verandahs and porches, following the Greek Revival style that southerners used as the exemplar of their wealth...

recall the Yankee commanders who occupied New Orleans for 15 years after the Civil War. Louisiana having cast its lot in with the Confederacy, defeat was the city's watershed and it never recovered its former wealth...

HOLIDAYS & TRAVEL

SPECIAL INTEREST/ACTIVITY

GREEN SINGLE OVER 30 COMPANY advertisement for singles over 30, including social, sports, and travel opportunities.

HIMALAYAN QUEST advertisement for Himalayan expeditions and mountaineering courses.

CRUISING/SAILING advertisement for yacht charters and cruises.

BMW AUTHORISED DEALERS advertisement.

NEW CARS advertisement for independent car dealers.

Western Counties advertisement for car insurance and other services.

MOTOR CAR ADVERTISING advertisement for car sales and finance.

SAAB AUTHORISED DEALERS advertisement.

ALSO APPEARS TODAY ON PAGE VIII advertisement.

WILDLIFE OF INDIA & NEPAL advertisement for wildlife safaris.

34 HR RESORT advertisement for a resort in the UK.

CASTLE 6 MILES advertisement for a castle estate in the UK.

FRANCE advertisement for travel to France.

UK advertisement for travel services.

WEEKEND BREAKS advertisement for weekend getaways.

WEEKEND BREAKS advertisement for weekend getaways.

CLASSIC TOURS advertisement for classic travel packages.

SKIING advertisement for skiing holidays.

WEEKEND BREAKS advertisement for weekend getaways.

FRANCE advertisement for travel to France.

UK advertisement for travel services.

WEEKEND BREAKS advertisement for weekend getaways.

WEEKEND BREAKS advertisement for weekend getaways.

SWITZERLAND advertisement for Swiss travel.

WEEKEND BREAKS advertisement for weekend getaways.

LUXURY WEEKENDS WITH A DIFFERENCE! advertisement for luxury travel.

TO ADVERTISE IN THE HOLIDAYS AND TRAVEL SECTION advertisement for advertising space.

TO ADVERTISE IN THE HOLIDAYS AND TRAVEL SECTION advertisement for advertising space.

DISCOUNT FARES advertisement for discounted flights.

WEEKEND BREAKS advertisement for weekend getaways.

LUXURY WEEKENDS WITH A DIFFERENCE! advertisement for luxury travel.

TO ADVERTISE IN THE HOLIDAYS AND TRAVEL SECTION advertisement for advertising space.

TO ADVERTISE IN THE HOLIDAYS AND TRAVEL SECTION advertisement for advertising space.

Two additional reasons to book SAA advertisement for South African Airways.

Luxury travel advertisement featuring a private jet.

South African Airways advertisement with flight schedule.

Super Fares advertisement for discounted flights.

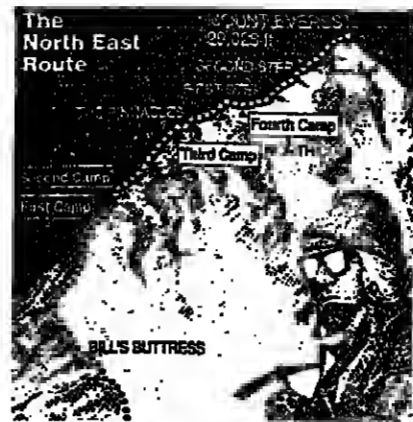
Capitalise on the FT's connections by advertising in the Weekend Travel Pages advertisement.

BOOKS/DIVERSIONS

The pain of high ambition

Rebecca Stephens, in her latest despatch from Everest, describes taking part in the tortuous task of setting up the advance base camp

IT IS a mistake to believe that climbing Mount Everest is glamorous. Except perhaps for the mountain's name, it is not and could not have been even in Sir Edmund Hillary's days. As with anything worthwhile, I am discovering that to climb Everest takes enormous, often unexplored resources of will-power, self-discipline and pain...



The North East Route. The advance base camp. The summit. The mountain. The snow. The wind. The cold. The pain. The ambition. The quest. The journey. The discovery. The triumph.

Their objective was to fix rope up the 2,000 feet and establish Camp 1 at the apex of the buttress. It would take several days. By mid-afternoon, physical exhaustion usually won over mental will and they returned, dehydrated and sunburnt, to the shelter of the ABC.

Your head aches first, screaming for oxygen from the thinning air - motivation is lost

Not until the morning light shone on the freshly fallen snow did I have opportunity to absorb the extraordinary sitting of our new home. Perched on a thin strip of moraine, we were sandwiched between a rocky cliff face and, across the glacier, Mount Everest - a magnificent mass of snow-covered rock rising 8,000 feet from where we stood.

I took the opportunity to hike the snow-covered trail, hammering away at an sitting now on the floor of my one-man tent, hammering at my manual typewriter by head-torch. Relatively speaking, it is quite comfortable. I am only shivering a bit, and when I finish, I shall rest my weary head on a quarter inch Karimat. (Outside I can hear an unhappy mongrel howling like a wolf.)

BE YOUR OWN BOOKER PRIZE JUDGE

Booker Prize

invitation for two to attend the Dinner and presentation of the Prize in the Guildhall on October 26 will be extended to the winner of our own Booker Prize competition. Full details of the competition and entry form will be published together with the Booker short list of six novels in next week's Books Page.

Churchill the failure

AT THE peak of his career in the Second World War, Churchill had a meeting with Lloyd George, Prime Minister in the First World War. Afterwards, a friend asked him, "How did it go?" Churchill replied, "We were immediately on the same old terms, just as we used to be. Master and servant." In truth it was Lloyd George who rescued Churchill from the consequences of political disaster.

CHURCHILL 1874-1922 by his godson Earl of Birkenhead. Harvill, £19.95, 352 pages. Churchill's life was a study in contrasts. He was a man of immense energy, a brilliant speaker, a great writer, a statesman of the first rank. He was also a man of deep contradictions, a man who was often at odds with himself and with the world around him.

wartime was at last rewarded. All this is set forth in the balanced narrative of Birkenhead's book which, however, it does not make a mistake to think of as another war history. It is the portrait of a man growing through a troubled and often unhappy childhood, becoming an officer in a smart regiment, suddenly achieving fame as a journalist and entering Parliament on the Conservative side.

On Marco Polo's path

KUBLA KHAN'S stately pleasure-dome has lured many travellers but, according to William Dalrymple, he has been the only person to complete the expedition along the Marco Polo's route from Jerusalem, since the 19th century. In fact the journey itself, via Syria, Turkey, Iran, Pakistan (Afghanistan being out of bounds in 1986) and China, is so exciting and entertaining that the arrival, although carrying his own share of drama since Dalrymple is under police arrest at the time, does not seem to be the point after all.

IN XANADU: A QUEST by William Dalrymple. Collins, £14.95, 314 pages. The Dalrymple expedition, essentially carried out in horrible discomfort and a little danger, has an air of academic disquiet. At Savelh in Iran he looks for the tomb of the Three Zoroastrian Wise Men, as described by Marco Polo. Despite finding two unmarked graves dating back to 1061 and 1116 they eventually have to return to the other to the realm of symbolic Christian thinking.

over hopeful Dalrymple discovers that until Savelh was burned down by Genghis Khan, it was the site of one of the most important astronomical observatories in the world. So maybe the three kings really did exist and came from Savelh and their bodies did lay in tombs seen by Marco Polo. Dalrymple's gifts, which include an excellent ear for dialogue, are all lightly coated by an air of comic self-deprecation. He is also particular, telling stories of precise happenings and seldom giving in to the temptation of generalisations.

Blowing a raspberry at tradition

Arthur Hellyer has been sampling the delights of Autumn Bliss

THESE past few weeks I have been picking and enjoying the late-fruiting raspberries of Autumn Bliss. It is quite a new variety, raised at the Institute of Horticultural Research at East Malling, Kent, and released to commercial growers in 1983. The Royal Horticultural Society gave it an Award of Merit in 1987, and since then it has been available, if from rather limited sources, to home gardeners.

previous year's growth. This distinction is very important for cultural reasons - with summer-fruiting raspberries, one has to accommodate two types of growth side by side and treat them in quite different ways, whereas with primocane varieties there is only one type of growth which is cut out and burned when the last fruits have been harvested. This process lessens the risk of a build-up of diseases such as cane blight, cane spot and spur blight since there is no contact between old, infected canes and healthy young ones. It also makes management very simple and allows one to dispense with supports if one does not mind a certain degree of sprawl.



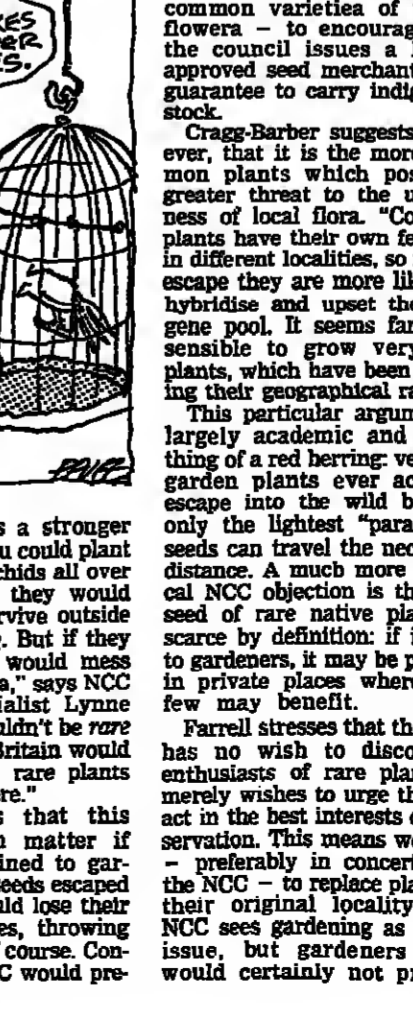
they are so much easier to manage than ordinary summer-fruiting varieties. However, the only growers who would gain from a shortened season would be those who harvest mechanically and wish to strip the plant in two or three pickings. An extended season is certainly an advantage for the ever-increasing number of "pick-your-own" farmers. I imagine that a raspberry which would be ready for first picking about mid-September and continue until late October could be very profitable for them since it would be available for the self-pickers who come then for potatoes, onions, cauliflowers and other autumn crops.

The fight for the right to grow

Geraldine Bedell on the preservation versus conservation controversy

THE NATURE Conservancy Council discourages people from using rare native plants to make or improve a garden, partly because it would make the plants less rare. To the mere gardener, as opposed to the professional scientist, this seems absurd: shouldn't we be encouraging beautiful and threatened plants? This dispute between the pure scientists and those whose interests are primarily aesthetic is more than a scuffle between two sets of enthusiasts: it exposes deep divisions in attitudes to conservation. According to Martin Cragg-Barber, a professional gardener with a special interest in rare native plants, "The issue is whether we want to preserve the countryside as a living museum, or whether we accept that nature is dynamic and, like it or not, human beings have become involved in the process."

the wild - and anything which takes pressure off wild sites should be welcomed. They suspect current orthodoxy of a preserved-in-isolation view of nature. "If plants cannot extend their range themselves, it is arguable whether they are still functioning as plants," says Cragg-Barber. "What we are getting now is plant preservation, rather than conservation." The one remaining Lady's Slipper Orchid in the UK, for example, has an electric trip wire around it. Might it not as well be at Kew Gardens? What is natural about this "natural" habitat? Botanist Philip Wilson, who works with a group of wild plants that have been largely destroyed by modern farming methods, argues that these plants are only really interesting in context. "There are all sorts of historical, agricultural and climatic reasons why they are there. In a garden they might have aesthetic and interest value, but in their natural habitat they are part of something with a value infinitely in excess of its parts."



fer gardeners to plant more common varieties of native flowers - to encourage this the council is proposing approved seed merchants who guarantee to carry indigenous stock. Cragg-Barber suggests, however, that it is the more common plants which pose the greatest threat to the uniqueness of local flora. "Common plants have their own features in different localities, so if they escape they are more likely to hybridise and upset the local gene pool. It seems far more sensible to grow very rare plants, which have been reducing their geographical range." This particular argument is largely academic and something of a red herring: very few garden plants ever actually escape into the wild because only the lightest "parachute" seeds can travel the necessary distance. A much more practical NCC objection is that the seed of rare native plants is scarce by definition: if it goes to gardeners, it may be planted in private places where only few may benefit. Farrell stresses that the NCC has no wish to discourage enthusiasts of rare plants, it merely wishes to urge them to act in the best interests of conservation. This means working - preferably in concert with the NCC - to replace plants in their original locality. The NCC sees gardening as a side issue, but gardeners (who would certainly not pretend

FORGET STAR WARS... THE NEW THREAT IS DREAM WARS LARRY COLLINS MAZE TODAY'S THRILLER OF TOMORROW'S MIND WAR Larry Collins has few rivals. MAIL ON SUNDAY £12.95 GRAFTON BOOKS

Rachel Billington

HOW TO SPEND IT

New market in the Market for M & S

From November, City slickers will have their 'own' mini chain store, says Lucia van der Post

CITY CHAPS who've had to take time off from trading in park benches or junk bonds to make the journey to the West-End of London to snap up Marks & Spencer's city shirts...

As regular readers of this column will know, M & S has for some time been gently wooing the chap who likes to dress City style...

men's line to the City itself? The new store is not going to be a clone of contemporary M & S store design...

looking than standard city-style) and selling at about £250, passing for the first time the crucial £200 barrier.

moment there will certainly be a basic alteration service and the ability to use the City branch to have access to bigger branches...

Cardigans, it seems, are big news this winter and under pressure from "high up" M & S's classic men's cardigans now sport a lot of extra fine detail...



Right: Marks & Spencer's new-style lightweight wool suit with a soft, relaxed continental cut, £250, worn with a 100 per cent striped cotton City shirt (£29.50) and Brooks Brothers silk tie (£19.99). Left: From the carefully edited selection of knitwear, far left, a clunky cable-knit navy-blue jacket/cardigan, £60 and near left, a casual links-link stitch cardigan, £25



Find the death traps hidden in your home

Heather Farmbrough on the safety-conscious house

THE ORIGINAL Georgian features of my house have been sullied by a series of ugly inventions. Two sets of french windows have been desecrated by protective plastic sheeting...



Home safety is big business, judged by Mothercare's growing range of equipment such as kettle guards, table corner cushions and socket covers.

James Ferguson

Childproof will also install any of the equipment it recommends, although Parley is also prepared to tell you where equipment can be bought so you can fit it yourself...

Installation costs cover the products used. Childproof charges £14 to fit a smoke alarm, around £34 for stairgates and £4.50 for a window lock, which secures competitive by London standards.

THE JOSEPH empire, it seems, is endlessly in a state of flux. Joseph Ettinger has never been one to sit back and say "well, that's that then."

Having only just, it seems, emerged from the dust and smoke of transforming the old Conran shop in London's Fulham Road into his first big store, called simply Joseph...

Not that he sees it as a replica of the Fulham Road branch. "This one will be much more like a little department store, with small exhibitions of different artists' work on the ground floor...

For women we will, of course, go on selling Azzone Alaia, but I also want to give

Non-stop, one-stop Joseph

proper space to British designers - most particularly during British Fashion Week - such as Rifat Ozbek, Jasper Conran, John Galiano and Betty Jackson...

Joseph understands better than anybody that style doesn't stop at clothes but pervades modern living so naturally the new store will feature yet another of his elegant little cafes...

of the show. Architectural pride of place probably has to go to Eva Jiricna's glorious stainless steel and glass suspended staircase, light and airy as a soufflé.

Those who visit his shops already will know that they are gathered in little clusters round some of London's chicest gathering points for the trend-setting, gold-card-carrying classes. His style is distinctive, seductive and increasingly all-embracing...



That Joseph style...

Peace, imperfect peace

Sandra Burbidge finds it TOO quiet without the kids

THE FIRST indication that my life is about to make its annual change makes itself known to me the telephone. It signifies the end of the holidays because the call is for ME!

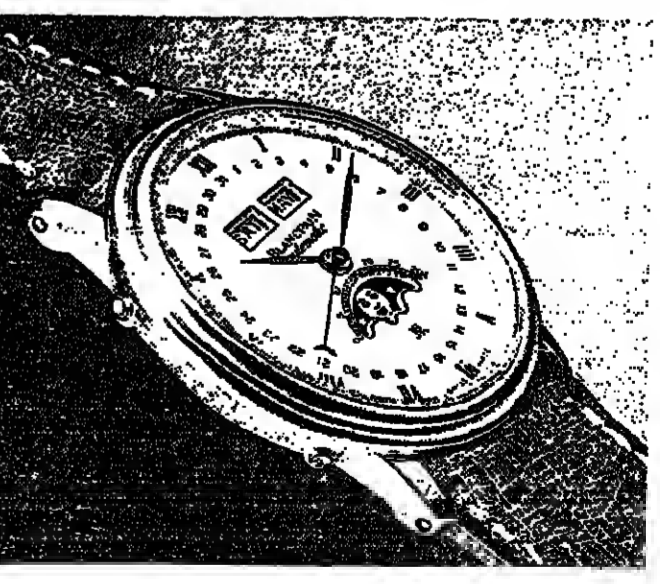


his own with a Walkman glued to his head. Somehow it seemed wrong not to put the three of us through torture every day.

Life has again assumed some sense of order and has lost the topsy-turvy pattern that had left me disorientated and confused. Too often my car (the big children think of it as THEIR car) was empty of petrol when I was expecting it to be full.

Meanwhile the things that I preferred to see empty, like ashtrays, the laundry basket, the one comfortable garden chair when I had need of it, and bedrooms after 11 am, were always disappointingly full. People - wall, children - were up when I wanted them down and down when I wanted them up, and just who is it that puts used matches back in the match boxes?

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Advertisement for Wheeler & Oliver, 144 St. Cross Street, London EC1N 8XD. Includes text: 'A REMINDER... ORDER NOW FOR CHRISTMAS LEATHER & SILVER CORPORATE GIFTS'.

ARTS

Masked Ball meets film noir

Max Loppert reviews the new production at the English National Opera

THE FIRST new production of the 1989-90 English National Opera season provides a welcome further renewal of the Verdi repertoire. A Masked Ball, sponsored by British Steel, brings together the team responsible for the company's 1987 Simon Boccanegra...



The scythe-bearing horseman in the finale of A Masked Ball

music. In the Act 2 love scene the alienating doings on stage dim its lyrical rapture. I sense, here and elsewhere, a certain resistance to the adult passions at the heart of the opera...

Records Running after modernism

BLESSED ARE those composers whose new works are transferred so rapidly to disc. George Benjamin's Antara was commissioned by IRCAM for its tenth anniversary in 1987...

THIS YEAR

THIS YEAR the Venice Film Festival's annual identification parade was more suspenseful than ever. Usually the golden lion prowls once up and down the line of runners...

The golden lion's tricky task

Nigel Andrews awaits the judges' verdict at the Venice Film Festival

which peddles soft-porn couplings at us while pretending to be the last reveries of a dying sensualist. On second thoughts, you might sit conscious and uncomplaining through this last. But you wouldn't give it a prize...



Best Actress: Peggy Ashcroft

City of Sadness. Special Jury Prize (runner up): Et La Lumiere Fut. Best actor: (ex aequo) Marcello Mastroianni and Massimo Cirotti in Che Ora E'...

ART GALLERIES

Several international groups of artists are presenting in the City of London. Contemporary Quality of colour and texture...

Radio

Aperitifs before lunch

THE HALF-HOUR before lunch should be a good listening time, in house or on road. I prefer to be serenely filled if I can...

Essential Reading for Scottish Colourist Owners

CHRISTIE'S advertisement featuring a painting of a woman in a red dress and text about the auction of Scottish Colourist works.

B.A. Young

SPORT

The best in Italian soap opera

John Wyles on the clash of egos in the all-or-nothing world of Formula One

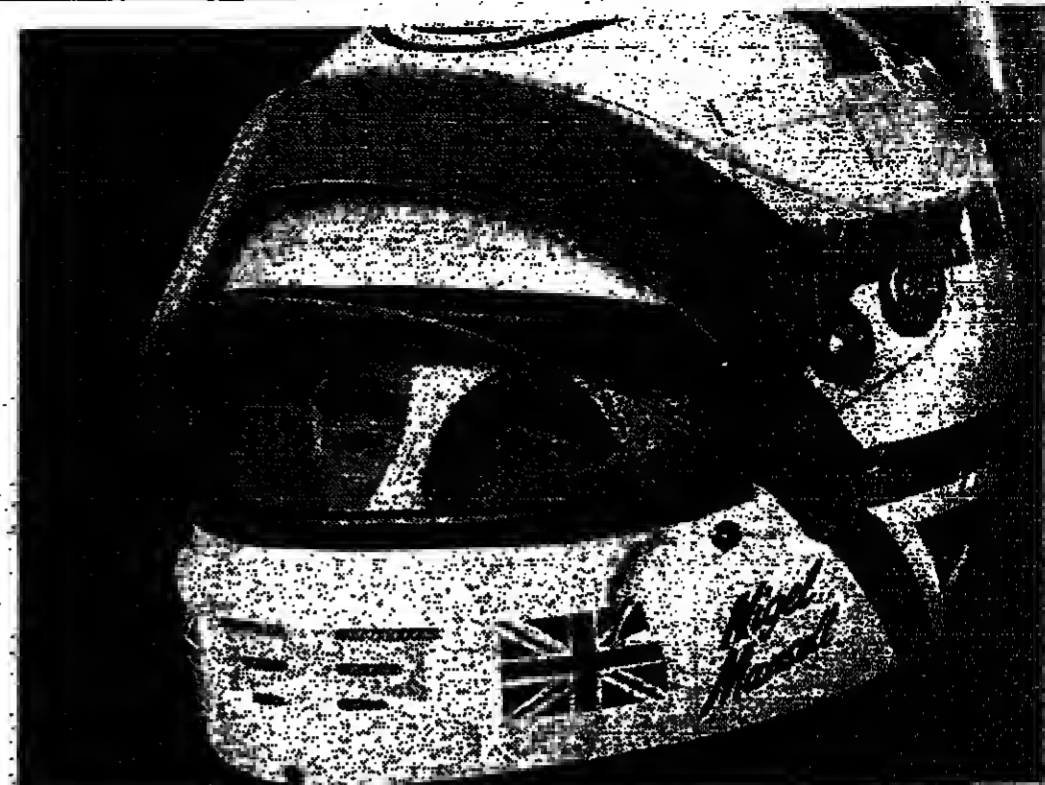
PEOPLE ARE rarely neutral about Formula One motor racing... either it presents an unacceptably boring procession of the overpaid driving the overpowered, or nothing can rival it for excitement in the competitive pairing of man and machine.

about venerating traditional nationalist symbols such as military forces or even the national flag. The flame red Ferrari, coupled with the national soccer team, carries such national pride and aspirations as exist in Italy.

own team, or take a year off from racing. But Prost is a coldly calculating tactician. How else could he have amassed more world championship points and won more grand prix - 39 - than any other driver before him.

Prost has been the first past the chequered flag if Senna had not suffered the mechanical problems which put him out of those races? Senna has won five grand prix this season, but his failure to finish in six races leaves him 20 points behind Prost's world championship tally of 71.

both cases is the Honda engine which was switched to McLaren at the beginning of last season. The Japanese manufacturer's commitment to Formula One is startling in both its extravagance and its success.



Nigel Mansell at the British Grand Prix

development and the commitment of men and resources which Fiat, Ferrari's parent, has been making this year.

Senna championship if Honda really does decide to devote the resources of a Prost championship would, of course, be a Honda championship, but a Prost racing under Ferrari control with the coveted No 1 will be of manifestly less value to McLaren-Honda sponsors.

a straight line. John Barnard says that driving style could still explain this. If Prost is right, then clearly Honda risks doing serious damage to the image of the sport: Perhaps by having raised the issue he will now guarantee equal treatment for himself and the remainder of the season. But he will also have tainted Ayrton Senna's second world championship, if the next four races go Senna's way.

Golf swings the American way

Ben Wright thinks the Ryder Cup will be a very close call

IF ANYONE had forecast at Walton Heath Golf Club at Tadworth, Surrey, in September 1981, after their second straight Ryder Cup debacle, that exactly eight years later the European team would be trying to achieve a hat-trick of victories over the once almost-invincible - well, I would have told him he was crazy and then tried to place a significant wager against such a thing occurring in my lifetime.

However well that course may turn out, it will obviously lack the maturity that such a momentous and historical fixture demands. Walton Heath would have served the purpose admirably again next weekend, just as Muirfield Village Golf Club, in Dublin, Ohio, was the perfect setting for Europe's glorious first-ever victory on American soil in September 1987.

as an airport runway. If it is wet, it assumes the consistency of glue. Nor are The Belfry's design and construction in championship class, for that matter. In short, it is not a very pretty sight. It is likely to be the venue of a memorable golfing occasion. Its outcome is far too close for me to call with any certainty. In my opinion, the Americans will win by the narrowest of margins because momentum has swung recently in their favour and they have been fired-up for the event by the scorn and disdain that has been heaped on them by the British press.

a preview of the Open Championship sent from London to the American weekly, Golf World, by Mike Britten, golf correspondent of the Exchange Telegraph. Alongside photographs of Seve Ballesteros, Nick Faldo and Greg Norman, Sandy Lyle, the headlines blazed: "Why A US Player Won't Win. Too many others are too good for an American to stand a chance."

our football but useless for golf. I may have to cool off my men and my ability to do that could mean one of the most important and influential aspects of the match."

Payne Stewart of the American team all finished in the top 10. At the US PGA Championship in Chicago, won by Stewart, Ian Woosnam did well to finish sixth, but Stewart's US team-mate, Curtis Strange, tied for second, while Watson and Faldo tied for ninth. Ballesteros was never a contender in the final round, finishing in a tie for 12th. Bernhard Langer, who had collapsed completely at Royal Troon, was 16 strokes behind the winner.

who tied for 20th place, Roman Bafferty (tied for 24th), Lyle and Chris Moody (who both tied for 37th) and Woodman, who tied at 42nd in a field of 44, played with sorry lack of distinction, culminating in Lyle's admission that he had withdrawn his name from consideration. Of the American team, Stewart, who was third, and Azinger and Calcavecchia finished in the top 10.

the Europeans field only one newcomer, their 19th pointer, Bafferty. All five Americans rookies have experience of British conditions and are seasoned campaigners. The "old" men of the European side are Christy O'Connor Jr, 41, and Jose-Maria Canizares, who is 42, while Watson, 40, and Lanny Wadkins, who will reach that age in December, are the US veterans.

CROSSWORD

No. 7,039 Set by DINMUTZ Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday September 27, marked Crossword 7,039 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday September 30.

Crossword puzzle grid with numbers 1-27 indicating starting positions for clues.

- ACROSS 1 Celebrators opening picnic baskets may find some (8) 5 Injury from a fall on street (6) 10 Just fitting? (5) 11 Air T-shirt incorrectly and this condition may result (9) 12 Means to polish off the mushrooms (8) 13 Sign up for some gardeners (6) 14 "Motormay madness" is just an illusion (8) 15 Behaves harshly to one not related by blood (7) 18 Duck rained off? One must be tapped (7) 20 Splendid lines of best clothes (6) 22 Pulled like Grahame's caravan, say (5) 24 No gins are free in such a case (9) 25 He may treat stout with heat (9) 26 Did it have a golden head and tail in America? (6) 27 Chaff dried out with energy (6) 28 Monet ran wild in such embellishment (8) DOWN 1 Pitcher is a fellow in trouble (6) 2 Tangerine variety like silver (8) 3 Controls bulks (6) 6 Knights bachelor, say, going round on a horse? (9) 17 Lenten fare for the modern consumer (4,4)

TELEVISION & RADIO SATURDAY

Television and Radio schedule for Saturday, listing programs and times for various channels like BBC1, BBC2, Channel 4, Granada, and Radio.

SUNDAY

Television and Radio schedule for Sunday, listing programs and times for various channels like BBC1, BBC2, Channel 4, Granada, and Radio.